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Atlanta ... U.S.\$2.00 Hungary ... 150 Ft. Dinars ... 1,000
Austria ... 3.50 Italy ... 175 Mt. Lire ... 20,000
Belgium ... 11.20 P. France ... 115 Fr. Francs ... 200
Canada ... 25 C. Spain ... 165 Ptas. ... 200
Denmark ... 16 D. Greece ... 200 Dr. ... 200
Finland ... 5.50 West Germany ... 1.00 DM ... 1.00
France ... 11.20 P. Ireland ... 1.00 P. ... 1.00
Germany ... 1.00 DM ... 1.00 DM ... 1.00
Greece ... 200 Dr. ... 200 Dr. ... 200
Hong Kong ... 10.00 HKD ... 10.00
India ... 15.00 Rs. ... 15.00
Japan ... 100 Y. ... 100
Korea ... 100 W. ... 100
London ... 1.00 S. ... 1.00
Luxembourg ... 1.00 F. ... 1.00
Malaysia ... 1.00 M. ... 1.00
Mexico ... 1.00 P. ... 1.00
Netherlands ... 1.00 G. ... 1.00
New Zealand ... 1.00 N.Z. ... 1.00
Norway ... 1.00 Kr. ... 1.00
Poland ... 1.00 Zl. ... 1.00
Portugal ... 1.00 Esc. ... 1.00
Singapore ... 1.00 S. ... 1.00
South Africa ... 1.00 R. ... 1.00
Spain ... 1.00 Ptas. ... 1.00
Sweden ... 1.00 Kr. ... 1.00
Switzerland ... 1.00 S. ... 1.00
Taiwan ... 1.00 N. ... 1.00
Thailand ... 1.00 B. ... 1.00
Turkey ... 1.00 L. ... 1.00
U.S.A. ... 1.00 D. ... 1.00
U.K. ... 1.00 S. ... 1.00
USSR ... 1.00 R. ... 1.00
Yugoslavia ... 1.00 D. ... 1.00

ESTABLISHED 1887

'Deceived and Sold,' East Germans Weigh Down Europe

By Roger Cohen
New York Times Service
KARSDORF, Germany — Extraordinary in scale, ominous in implication, the collapse of the industrial issue of what was East Germany now seems certain to weigh on the entire German economy, and all of Europe, for much of this decade.
In place of the blooming garden promised by Chancellor Helmut Kohl before unification in 1990, a bleak landscape stretches. It is dotted with the rusted shells of failing steel, textile and chemical plants; crisscrossed by potholed roads, and smeared with competing graffiti exhorting people to combat or to join the neo-Nazi movements spawned by economic resentment.
Although Bonn frequently discussed a three- or four-year period to whip East Germany into economic shape, such talk now appears fanciful at best. "It has become clear that the transition will take at least a decade,

and perhaps a generation," said Alexander Eikelspach, an expert on the eastern region at the German Institute for Economic Research.
One of those frustrated is Wolfgang Hoerschelman, 31, who has been demolishing one of three plants in a vast cement-making operation called Karsdorfer Zement that once employed him and constituted the hub of life in this region west of Leipzig.
The German state paid him to flatten the place, found to be uncompetitive in a market economy. "Demolition was the only work I could get," said Mr. Hoerschelman, whose father worked at Karsdorfer Zement before him. "Young people in eastern Germany feel they have been deceived and sold."
"Vertrauen und Verkauf" — deceived and sold — has in fact become a common slogan scrawled on walls in the five Länder, or regions, that made up East Germany. The easterners feel betrayed by Mr. Kohl, who had

promised that no one would be worse off as a result of unification.
Karsdorfer was acquired in 1990 by Lafarge Coppée, a French cement group. Its 10-square-mile complex, which produced a third of the cement for the former Communist state, has lost 2,500 of its 3,000 workers as its new owners strive to keep the business alive. One plant has been demolished, another will be, and a third is being modernized. By 1995, there will be only 300 employees left.
"Recession and reluctance to invest have delayed development in eastern Germany by three to six years," said Klaus Schindler, the company's marketing manager.
The fate of Karsdorfer Zement is typical.

Crippled by the disappearance of markets in the former Soviet bloc and an inability to compete in the West, the old-fashioned, bloated and often environmentally poisonous industries of the east have suffered a collapse far more devastating than was foreseen by German leaders in 1990.
"Nobody imagined anything on this scale," said Richard Gardner, an executive at Deutsche Bank in Berlin. "The more we looked at the eastern part of the country, the more decrepit we realized it really was."
Of the 9.8 million people employed in eastern Germany in 1989, Deutsche Bank estimates that about 5.4 million still have jobs in the eastern regions. In three years, 4.4 million jobs have been lost.
Unemployment, including people in temporary work programs, has soared to more than 30 percent, and it reaches 45 percent if early retirees and those obliged to work in the

west are included. Industrial output has slumped by 70 percent.
Last year alone, more than \$130 billion was transferred from western to eastern Germany. The bulk of it, moreover, was not spent on investment, but on unemployment benefits, job retraining and so-called exceptional social measures — such as paying people to demolish useless factories.
Gunter Groesche, a senior official at the Finance Ministry in Bonn, said the transfers in 1993 and over the next few years would probably come close to 180 billion Deutsche marks a year — around \$110 billion, or 5 percent of Germany's total output of goods and services.
Thus, inflationary pressure, which has stemmed from a budget deficit that reached a record 6 percent of total output, is unlikely to abate rapidly. If the deficit remains high, it

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Tory Rebels Deal Major A Setback on Maastricht

Defeat, on Minor Issue, Comes Despite Strong Appeal for Party Unity

By William E. Schmidt
New York Times Service
LONDON — Right-wing rebels within Prime Minister John Major's Conservative Party spurned appeals for party unity Monday and dealt Mr. Major an embarrassing setback in the House of Commons over the proposed Treaty on European Union.

In a maneuver that had more to do with symbolism than substance, Tory renegades opposed to European union openly defied the prime minister, joining opposition members of the Labor Party and the Social and Liberal Democrats Party in tacking on a minor amendment to the treaty bill, over Mr. Major's objections.
In a vote of 314 to 292, the rebels and opposition politicians combined to override Mr. Major's slim 20-vote margin in the 651-seat House of Commons, undermining his authority as party leader and handing him his first defeat in Parliament since his government won re-election in April.
The amendment does not threaten to scuttle the treaty itself, or alter its text, but its adoption means the period of debate over the treaty in Parliament must be extended for several weeks, possibly setting back Mr. Major's attempts to win its ratification early this summer.

The defeat came despite a sustained campaign by Mr. Major and his allies to cajole and bully rebels, and to hold together supporters. At least one member of Parliament was brought to Westminster in an ambulance to cast his ballot on behalf of the government.
The text of the treaty, which Mr. Major negotiated in December 1991 with other European Community leaders meeting in the Dutch city of Maastricht, is being debated before the full Parliament.
All 12 members of the EC must ratify the treaty in order for it to take effect, and, at this time, only Britain and Denmark still must approve it. The treaty serves as a blueprint for closer economic and political cooperation among the EC members.

The government sought to play down Monday's defeat, emphasizing that the amendment did not threaten passage of the treaty.
"A treaty delayed is better than a treaty lost," said Foreign Secretary Douglas Hurd.
The vote involved a relatively minor Labor Party amendment to the treaty bill, requiring that only elected local officials, rather than government appointees, be allowed to serve on an EC advisory committee.
Labor defended its vote, saying the amendment involved a matter of democratic substance, and denied that it would unnecessarily delay the treaty, which it otherwise supports.
In recent weeks, the parliamentary maneuvering over the bill among the various factions has resembled, at best, an intricate chess match and, at worst, a theater of the absurd in which the only object of the game often appears to be to get the government.

In a series of pending amendments and procedural votes, right-wing Tories opposed to the treaty have voted to join hands with left-wing Laborites who strongly support European union, because both sides have found common ground in trying to embarrass Mr. Major.
Government supporters argue that the prolonged debate over the bill, which has consumed nearly half of Parliament's schedule over the winter, is distracting from other important business.
Mr. Major said he hoped Parliament would be prepared to ratify the treaty this summer, once Danish voters endorse it in a nationwide

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Bosnia Army Chief Quits Talks and Orders Offensive

Serbs Agree to Evacuate Muslims, UN General Says

Compiled by Our Staff From Dispatches
TUZLA, Bosnia-Herzegovina — The Bosnian Army commander pulled out of truce talks on Monday and ordered his troops to attack in eastern Bosnia in an effort to free thousands of civilians trapped by Serbian forces.
Bosnian Serb military sources reported attacks by Bosnian government forces in several areas of eastern Bosnia, but said they had been repelled.
Despite the fighting, General Philippe Morillon, head of United Nations forces in Bosnia, said Serbs agreed to the evacuation of Muslims from the eastern settlements of Konjic, Polje and Srebrenica this week. But UN aid officials cautioned that such deals, painstakingly worked out at the highest levels, frequently broke down on the ground.
The Bosnian Army commander, Sefer Halilovic, told Sarajevo radio that "thousands of women, children and old, wounded and exhausted people" were in danger of dying after a 10-day assault in the region by Serbian forces.
The Serbs confirmed that there was heavy fighting after Muslim units had struck out from their enclaves in several directions. But the Serbs said the attacks were mostly contained.
General Ratko Mladic, head of the Serbian forces in Bosnia, said by telephone from his headquarters: "Halilovic has no chance of success. He is sacrificing his own people for nothing."
The Bosnian president, Alija Izetbegovic, backed the offensive.
"Any measure to protect these people from slaughter is a legitimate measure," he said.
There were these related developments Monday:
• The White House rejected a suggestion by the UN secretary-general, Boutros Boutros Ghali, that UN members be prepared to send troops against Serbian forces if they failed to reach a negotiated peace. The White House communications director, George Stephanopoulos, said the United States would consider using troops only to enforce a negotiated accord.
"We want to use the U.S. forces — if they are needed — to enforce an agreement that has already been reached by all sides," he said. "We have not been involved in any discussions of using U.S. troops in any kind of peace-making mission."
• U.S. Air Force cargo planes dropped more than 46 tons of food and medical supplies into eastern Bosnia, the eighth such mission over the region. The supplies were dropped over Srebrenica.
• In Bonn, the Defense Ministry announced plans to join the United States later this month in parachuting food and medicine to eastern Bosnia.
• The European Community gave Serbian leaders several weeks to sign a peace plan for Bosnia or face new sanctions. EC foreign ministers met in Brussels and said they would step up diplomatic pressure and close existing loopholes in the current trade embargo against Serbia to force it to sign the UN peace plan.
• Mr. Izetbegovic repeated his rejection of the map for his republic proposed by international mediators.
"I don't accept this map. I have never accepted it," he said upon returning to Bosnia from the talks in New York.
• Croatia's power suppliers cut supplies to thousands of homes and

See BALKANS, Page 6



Sarajevo residents scurrying for cover on Monday amid Serbian sniper fire. In eastern Bosnia, Serbs agreed to the evacuation of Muslims in besieged towns.

President Keeps Italy Focused on Corruption

Agency France-Press
ROME — President Oscar Scalfaro has forced the government to alter legislation that would have decriminalized illegal funding of political parties.
The decree would have allowed politicians and businessmen implicated in a corruption scandal to face fines rather than prison terms.
It would have taken effect with the president's signature, which is usually a formality, but Mr. Scalfaro declined to sign the bill.
In a letter to Prime Minister Giuliano Amato, Mr. Scalfaro instead asked the government on Monday to put the legis-

lation in the form of a bill to be debated in Parliament.
On Sunday, Environment Minister Carlo Ripa di Meana, a Socialist, resigned over the proposal, which magistrates said would make it impossible to continue investigations that are already under way.
The plan was to set up monitoring groups to control financial contributions to parties and to decriminalize certain infractions.
Those found guilty of illicit funding would have been fined instead of given prison sentences and would have been barred from political activity for three to five years.

The proposal would have halted ongoing investigations, including inquiries involving the Republican Party secretary, Giorgio La Malfa, and the former president of the Montedison company, Giorgio Garofano.
An investigation started last year into wine-trading irregularities also would have been affected.
Mr. Ripa di Meana said that the decree could also have ruled out any renewal of Italy's political class.
Announcing his resignation, he said, "If Italians are to be reconciled with their institutions and the economy is to pick up, we must be sure that justice is functioning normally."

Earlier Sunday, magistrates in Milan said they were "diametrically opposed" to the government's position.
"The legal modifications will make it impossible to establish the facts and who is responsible for them," the magistrates said in a statement.
"Scalfaro seems to have pulled off an incredible feat, saving his own credibility without bringing down the government," the newspaper La Stampa said.
The president's refusal to sign the decree had come after consultations with Mr. Amato.
"It all tends to suggest that Amato will not take it as an unacceptable insult," said the paper Il Giornale.

More Bombing Leads for FBI

Compiled by Our Staff From Dispatches
NEW YORK — The FBI said Monday that it would soon name new suspects in the World Trade Center bombing, promising arrest warrants as early as this week in an expanding investigation.
But James M. Fox, chief of the FBI's New York bureau, cautioned that it would take "months at least" for the inquiry to be completed by the "eight or nine" law enforcement agencies striving to solve the case.
Mr. Fox said that the next "key part" of the investigation was to

reach the bottom of the jagged crater blasted by a powerful bomb on Feb. 26, an explosion that killed five people and injured more than 1,000 others.
Specialists were at work in the crater Monday, and Mr. Fox said that within 24 hours they should be able to conduct what he called "a crime scene search" that they have been prevented from doing before because of the danger involved.
Mr. Fox, meantime, discounted the notion that the main suspect under arrest, Mohammed Salameh, a 25-year-old Palestinian who grew

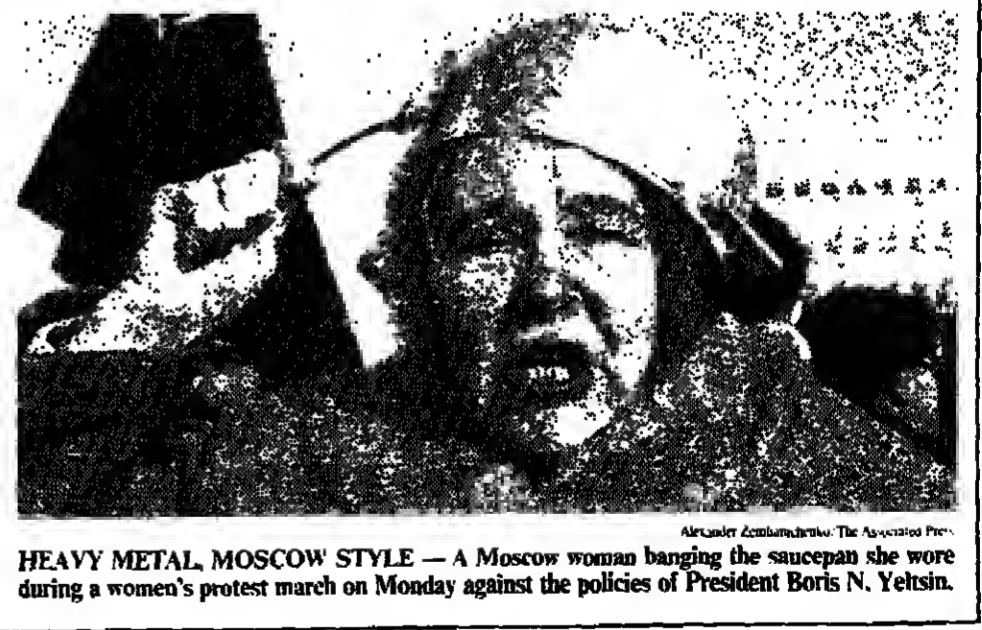
up in Jordan, had been a dupe for others in the bombing.
"That's not a theory that we're setting forth," Mr. Fox said.
Mr. Salameh was in solitary confinement in a federal lockup in New York, accused of "aiding and abetting" the bomb attack on New York's tallest buildings, the twin 110-story spires that form the core of the World Trade Center.
An intense search has been under way for possible accomplices. Mr. Fox said, "I think we could

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Kiosk Stock Prices Hit Record Highs

Wall Street and London stock markets soared to record highs on Monday, but U.S. Treasury bond prices took a late hit as investors apparently decided the recent rally had gone far enough.
The Dow Jones industrial average jumped 64.84 points to 3,469.42, bolstered by low interest rates early in the day and talk of more deficit cutting in Washington. The International Herald Tribune World Stock Index rose to 94.82, up 2.06 percent. (Page 11.)

General News	Dow Jones	Trib Index
The IRS is granting tax-nonfilers overseas the \$70,000 exclusion for past years. Page 3.	Up 64.84	Up 2.06%
The United States will closely monitor how Israel uses its loan guarantees. Page 7.	1,469.42	94.82
Business/Finance		
Jacques Delors of the EC wants an international pact on social issues. Page 11.	The Dollar	
	New York, Mon. close	previous close
	DM 1.6635	1.6693
	Pound 1.4423	1.4416
	Yen 116.70	117.615
	FF 5.5405	5.5556



HEAVY METAL, MOSCOW STYLE — A Moscow woman banging the saucenap she wore during a women's protest march on Monday against the policies of President Boris N. Yeltsin.

Where the Criminals Reign

In South Africa's Bloody Transition, Anarchy Prevails

By Paul Taylor
Washington Post Service
JOHANNESBURG, South Africa — The world knows South Africa as a caldron of political violence — which it is — but the people who live here fear it most as a place where the common criminal is king.
One recent morning's crop of crime stories in the local newspapers helps make the point:
• A policeman escorts the driver of a bread truck into the township of Alexandra, where common criminals are always risky. At their first mercurial deliveries are always risky. At their first stop, a man approaches, laughing, and shoots the policeman in the face. He then steals the policeman's gun and rushes off. The policeman dies.
• A cable drops off passengers in the township of Watville. Four men surround his vehicle and

demand he give it up. He refuses. They shoot him to death.
• A pastor in the township of Boipatong is leading members of his congregation in a scripture reading at his home. Seven men armed with AK-47 assault rifles storm the house and take everything — clothing, jewelry, household appliances, a minibuss.
• A group of two men and five women encounter a man on a Johannesburg street whom they believe to be a rapist. They tie his hands with picture wire, gag him with electrical tape, chain and padlock him to a light pole, then drape a sign around his neck: "Women don't like rape. Men don't like rape. Children don't like rape. So what

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All Russia Watches as a Country Priest Finds Home

By Serge Schmemmann
New York Times Service
FROLOVSKOYE, Russia — When it became possible, Sergei Vishnevsky's grandfather sent him to Moscow to study for the priesthood so he could come back and take over his country parish. It took him 45 years, but Father Sergei came back.
Two years ago, he quit his large, rich parish in Moscow, made his way by train, bus and foot to his grandfather's church deep in the forests and bogs of the upper Volga valley, picked up a broom and started sweeping out the decades of debris and neglect.
All the icons had been stolen. Vandals had drilled the walls and floors in search of

hidden treasures. Decorative tiles had been ripped off the stoves, generations of teenagers had carved their declarations of love into the peeling frescoes, the bells were gone and the onion-shaped cupolas were skeletons, their bright steepling stripped away by winds and jackdaws.
At least the tall, 200-year-old Church of Saints Flor and Lavr still stood, unlike the untold thousands razed for brick or ideology, and it had never been used for a warehouse or factory, like the decapitated shells so familiar in the villages and cities of Communist Russia.
"It may be sinful to be so bappy, but restoring this church is a gift from God," he

said, smoothing his white beard as he bounded from his log cabin to the church with an energy that belied his 67 years.
"How do I see my place?" he asked.
"Sometimes I see myself like Abraham, commanded by God to leave for unknown lands. Sometimes I think that leaving Moscow I'm like Lot fleeing Sodom. But mostly I feel like Adam. In heaven."
"I feel I am contributing to the rebirth of Russia through the church."
The church in this village, about 240 kilometers (150 miles) northeast of Moscow, may never regain its former glory. Only four log cabins still stand around its hural grounds, and much of the time Father Vish-

See VOLGA, Page 2

WORLD BRIEFS

BOMB: The FBI Has New Suspects

(Continued from page 1) have additional search warrants and possibly arrest warrants this week.

According to federal officials, Mr. Salameh was associated with radical Muslim groups, including that of Sheikh Omar Abdel Rahman, an exiled Egyptian cleric who lives in New Jersey.

Mr. Salameh's court-appointed lawyer, Robert Pecht, said Monday that such allegations were "unfounded."

He said that Mr. Salameh told him in an interview on Sunday that he was not a headless follower of Sheikh Abdel Rahman, and "in fact, he had several disagreements with Mr. Rahman."

The lawyer also complained about what he called "a massive wave of hysteria, innuendo and rumor" that he said was "reaching a point where a fair trial is going to become impossible in New York."

At the blast site beneath the World Trade Center, bomb chemists hope to compare samples taken at the seat of the explosion with bomb-making ingredients seized from a storage shed rented by Mr. Salameh and from an apartment in Jersey City, once occupied by an associate of the suspect.

If the explosives are the same, the still-circumstantial case against Mr. Salameh would be strengthened immensely.

Perhaps even more significant, investigators hope to find enough fragments of the detonator or timing device to provide a "fingerprint" to previous bombings or terrorist groups.

Over the years, investigators have found even tiny parts of detonating devices to be particularly valuable clues to the modus operandi of bombers, according to an expert on international terrorism.

But the job of getting to the floor of the crater and finding the clues was both difficult and dangerous. The instability of the garage is hampering investigators. They must satisfy themselves with brief, nerve-wracking forays into the bomb crater and with examining bits of debris brought out by workers lowered into the hole.

The danger comes from portions of the garage levels that survived the blast but are tilting into the crater and may fall.

"There's a tremendous amount of debris that's in a very precarious position," said Eugene Fasullo, the building's chief engineer.

Engineers planned to cut a square hole, about 10 meters across, through the plaza in front of the towers. They were working to set 18 large steel beams as some kind of structural security. By Tuesday, they hope to have a crane

in position in front of the hole that can lower a bucket to be loaded with debris from the bottom of the garage.

Before each lump of concrete or piece of metal is disposed of, Mr. Fasullo said, an investigator from the FBI will check it for clues.

Without access to the crater, investigators had no hope of finding the critical timing device. But federal agents may have found its mates.

During a round of searches in New Jersey, where Mr. Salameh lived and where prosecutors say he rented the van used to carry explosives to the World Trade Center, agents reported finding three identical small metal alarm clocks, raising suspicions that a fourth such clock may have been used as the timing device in the bombing.

In other developments: Federal sources said Monday that U.S. investigators would go to Jordan this week to gather information. In Amman, Information Minister Mahmoud Sharif said Jordan had "offered total cooperation with the United States to unravel the truth behind the bombing."

Jordanian authorities said Mr. Salameh and his family had no record of criminal or political activity.

About a dozen members of the Coalition for Jewish Concerns from New York City waved picket signs and held a news conference outside the Salam Mosque, a room on the top floor of a brick commercial building above a check-cashing office and a Chinese restaurant in Jersey City where Mr. Salameh had been a regular worshiper.

Sheikh Abdel Rahman often preached at the mosque. The sheikh was acquitted in the 1981 assassination of President Anwar Sadat of Egypt, but is being investigated by the FBI in connection with three slayings in the United States and has been accused by the government of Egypt of inciting attacks in Cairo against foreign tourists.

"We are here to condemn this place and this mosque," said Rabbi Avi Weiss, the president of the Coalition for Jewish Concerns.

M.T. Mehdi, president of the American Arab Relations Committee, said that threatening and obscene phone calls had been made to numerous Muslim centers around the country since the arrest of Mr. Salameh.

Mr. Mehdi, who is also secretary-general of the National Council on Islamic Affairs, said many of his colleagues in this country had reported a surge in hostility against Muslims.

Islam is the fastest-growing religion in the United States, with more than 10 million adherents, about 800,000 of them in the New York area, Mr. Mehdi said. Most are immigrants or children of immigrants from the Middle East, Asia and Africa.

(NYT, LAT, AP, Reuters)

Islamic Group Vows to Avenge Leader

CAIRO — A Muslim extremist group threatened Monday to retaliate if any action was taken against its spiritual leader over the World Trade Center bombing in New York.

The underground Islamic Group, which has carried out several attacks against tourists in Egypt, denied that Sheikh Omar Abdel Rahman was involved in the Feb. 26 attack, which killed five people and injured more than 1,000.

The key suspect in the bombing worshipped at a mosque in Jersey City, New Jersey, which is headed by the radical Egyptian cleric. Although U.S. officials suspected him of terrorism, he has

been in the United States on a tourist visa since 1990.

Islamic Group warned in a statement to news agencies that it would "respond to any action" taken against Sheikh Abdel Rahman, adding that he would not be made a scapegoat.

The statement said that the Islamic Group, while emphasizing that Sheikh Abdel Rahman "has no link whatsoever to the explosion of the World Trade Center," would like to clarify "important" matters.

It added: "The policy of the Islamic Group does not target innocents regardless of their religions."

"Targeting Doctor Omar aims at disfiguring the image of faithful Muslim scholars in the world which could have had repercussions on relations between Muslims and the West in the future," it added.

The group also denounced the "vicious media campaign orchestrated by the American administration and the West" against the sheikh.

Press reports have played up the link between the suspects and Sheikh Abdel Rahman's mosque, although the authorities have not accused the cleric of involvement in the attack.

(AFP, Reuters)

23 Reported Killed in Somali Port

MOGADISHU, Somalia (Reuters) — As many as 23 people have been killed and 26 injured in fierce clan clashes in the southern Somali port of Kismayu, the international charity Doctors Without Borders said Monday.

The charity's coordinator in Mogadishu, Joelle Tangay, quoting witnesses, said the killings took place on Sunday in fighting between supporters of General Mohammed Said Hersi, known as Morgan, and his rival, Colonel Ahmed Omar Jess. Belgian forces have confirmed killing a Somali gunman on Sunday when he fired at their squadron in Kismayu.

Russia Offers Singapore Arms Deal

SINGAPORE (APF) — The visiting Russian vice president, Alexander V. Rutskoi, offered Monday to co-produce military hardware in Singapore, saying Moscow was willing to train local people and transfer technology in sophisticated industries.

Mr. Rutskoi said joint ventures could cover local assembly and later production of aircraft, including helicopters and hovercraft for supply to countries in the region. "We can supply military and commercial hardware to the region just as efficiently and at lower cost than those offered by others," he said.

A senior Singapore official said a joint team would be set up to examine prospects for wider bilateral cooperation.

2 Car-Bomb Blasts Jolt Swedish City

STOCKHOLM (AP) — Two car bombs exploded in the western city of Gothenburg early Monday, setting a fire, shattering windows and damaging other vehicles, police said.

No one was hurt in the explosions, which occurred before dawn in different parts of the city.

No one claimed responsibility for the bombs, which exploded in two parking lots within an hour of one another, a police spokesman said. He said both cars had been reported stolen in the Gothenburg area.

Swiss Party Puts Forth 2d Woman

BERN (Reuters) — Switzerland's Social Democrats sought Monday to defuse a crisis over their attempt to get a woman into the government by putting forward an alternative candidate in addition to one already rejected by center-right parties.

The Social Democratic members of parliament decided to again put forward Christiane Brunner, the candidate who was rejected, but to add another woman as an alternative, Ruth Dreifuss. Many members of parliament objected to Ms. Brunner's leftist views and criticism of the army.

The decision represented a compromise after the party's executive reaffirmed Ms. Brunner, a 45-year-old feminist and trade union leader, Saturday as its sole candidate, setting the scene for a possible collapse of the coalition that has ruled Switzerland for 34 years.

TRAVEL UPDATE

The heaviest snowstorms in decades isolated villages and cut off Romania and more than half of Bulgaria from the outside world Monday. Bucharest banned cars to reduce chaos. Both its international and domestic airports were closed, along with most other airports.

Tourists are flocking to France's west coast to watch a "tide of the century" at the spring equinox. Oceanologists said the tides Tuesday and Wednesday would probably be the highest this century — registering 119 on a scale of 120-points — because of the rare position of the moon and the sun. The last comparable tide was in 1918.

At least 2,536 people were killed in road accidents in Algeria last year, an average of seven a day, according to figures compiled by the generalist. Another 23,132 were injured in 15,728 accidents.

The Tower of London was branded a potential fire trap Monday. A survey by The London Times said the White Tower, the oldest part of the 900-year-old fortress, had no fire alarm, sprinkler or smoke-detection system and that emergency exits were insufficient.

International airline traffic increased 11 percent in January compared with the figure for January last year, the International Airline Association said Monday in Geneva. But this was not enough to fill the seats being offered by airlines, IATA said.

A feasibility study for a third Tokyo airport to ease congestion has been approved by 140 companies set up a panel to study the possibility of building the next airport for Tokyo to supplement Narita International and Haneda domestic airports.

Singapore has set up a consulate in Ho Chi Minh City, the Foreign Ministry announced Monday in Singapore. Goh Seng Kwang of the Singapore Trade Development Board has been appointed consul.

MAJOR: Setback on Treaty

(Continued from page 1) referendum May 18. Polls in Denmark suggest that the treaty, which voters rejected in an earlier referendum in June, will be passed.

Mr. Major's political standing on ratification, the small but noisy group of Tory rebels have pledged to do whatever is necessary to thwart the treaty, which they argue is an affront to British sovereignty.

"We reserve the right to oppose the Maastricht agreement tooth and nail," declared James Cran, one of the more vocal Tory opponents. "And that is what we are going to proceed to do."

Earlier in the day, members of Mr. Major's cabinet alternately begged and threatened Tory rebels not to support the amendment, warning they risked damage to their party, their government and the country.

Michael Heseltine, the minister for trade and industry, warned that the rebels "are doing this country a great deal of harm overseas as we are paraded as less than enthusiastic over Maastricht."

Peru Captures 2 Rebel Leaders LIMA — Anti-terrorism police have captured two military leaders of Peru's two leftist guerrilla groups, according to police sources.

Authorities detained a man they identified only as Commander Danilo, the head of an assassination squad of the pro-Cuban Tupac Amaru Movement, the sources said. The squad is believed responsible for the 1990 murder of Defense Minister Enrique López Albuja.

The sources also said that Marco Abanca, alias Commander Moises, was captured in Lima on Feb. 23. Mr. Abanca is thought to be the head of the Shining Path guerrilla group's military arm.

DEATH NOTICE VASSILTCHIKOV, Princess Irina. April 82, on 26 February, 1993, in Germany. Resident of Rome, she was the oldest sister of "Missie" Vassiltchikov of "The Berlin Diaries" 1940-1945 fame.

Cult Leader's Threat: 'We Are Ready for War'

WACO, Texas — The cult leader David Koresh has told negotiators that he is "ready for war" and challenged agents to storm the compound where he and his followers have been besieged for more than a week, the FBI said Monday.

"He has indicated he would be most pleased if we would engage in a gun battle with him," said Bob Ricks, an FBI agent.

Mr. Ricks said Monday that Mr. Koresh had used phrases such as these: "We are ready for war. Let's get it on. Your talk is becoming vain. I'm going to give you an opportunity to save yourself before you get blown away."

Mr. Koresh, a self-proclaimed messiah, said he had "sufficient firepower to blow up" the Bradley armored vehicles that agents have used in surrounding the compound.

"His exact words were, 'We can cause those vehicles to go 40 or 50 feet into the air,'" Mr. Ricks said. He said the Defense Department was to supply Abrams tanks, which are more heavily armored than the Bradleys.

Earlier Monday, the authorities searched a business near the compound operated by Mr. Koresh. They found "a very small quantity of shotgun ammunition," said Dan Conroy, associate director of the Bureau of Alcohol, Tobacco and Firearms.

Mr. Conroy said the business, called Mag Bag, was a front operated to gather firearms.

Mr. Ricks said negotiators had agreed Monday to allow people inside the compound to conduct a funeral and burial of a person killed in a Feb. 28 shoot-out in which four federal agents were killed and as many as 10 cult members may have died.

In a briefing Sunday, Mr. Ricks said negotiations to end the siege had hit a standstill, with Mr. Koresh rejecting settlement offers, including proposals he suggested earlier. Federal authorities have said they are prepared to wait out the standoff for a long time.

Mr. Ricks said that Mr. Koresh had shown "a state of irritability that pops up almost without notice, and then he will go back to a calm period of religious discussion."

"We offered him what we thought was a reasonable compromise with an item that was of most concern to him," Mr. Ricks said. "And the offer included from our side was the total release of all the people inside. And that offer was rejected."

Mr. Koresh has released 21 children and two elderly women. He says 90 adults and 17 children remain in the compound.

At one point, Mr. Koresh refused to release a 6-year-old girl after she told authorities she wanted to leave, Mr. Ricks said. He then rejected a delivery of milk that previously had been demanded, he said.

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Billy Eckstine, Ballad Singer, Dies

PITTSBURGH — Billy Eckstine, 78, the singer-bandleader whose warm baritone graced a string of hits in the 1940s and '50s such as "Fools Rush In" and "Everything I Have Is Yours," died here Monday.

He suffered a stroke last year. Known as "Mr. B," Mr. Eckstine sang romantic ballads in a strong, vibrant baritone, with impeccable diction. He was America's most popular vocalist in 1949 and '50, and the first black singer to make the cover of Life magazine and to become a national sex symbol. Hip young men copied his style of dress, shirts with rolled collars and jackets draped off the body.

His hit records between 1945 and 1951 also included "A Cottage for Sale," "Prisoner of Love," "I Surrender, Dear," "Everything I Have Is Yours," "Blue Moon," "My Foolish Heart," "Caravan," "Body and Soul" and "I Apologize." His last big hit was "Passing Strangers," a duet with Sarah Vaughan.

Michel Riquet, 94, Jesuit and Resistance Fighter PARIS (AP) — The Reverend Michel Riquet, 94, a Jesuit priest and one of France's foremost Catholic authors who defied the Nazis during World War II and campaigned against racism, died Friday.

Father Riquet's death occurred days before the publication of a collection of conversations with him entitled, "The Disciplined Rebel."

He became a Resistance fighter during the Nazi occupation of France in World War II, openly defying the policies of the collaborationist Vichy regime.

He helped more than 500 Allied pilots escape from France and was arrested by the Gestapo in January 1944. A German interrogator accused him of "hiding all the sons of the Resistance in the folds of your saintly robes." Father Riquet, then 46, smiled and answered: "You flatter me. I've hidden only a few."

He was deported to the Mathausen and Dachau concentration camps, where he preached brotherly love and forgiveness. He was freed by Allied soldiers in May 1945.

Christine Busalacchi, 22, In a Coma Since 1987 ST. LOUIS, Missouri (AP) — Christine Busalacchi, 22, died Sunday after her feeding tube was removed, ending a five-year battle

MAJOR: Setback on Treaty

(Continued from page 1) referendum May 18. Polls in Denmark suggest that the treaty, which voters rejected in an earlier referendum in June, will be passed.

Mr. Major's political standing on ratification, the small but noisy group of Tory rebels have pledged to do whatever is necessary to thwart the treaty, which they argue is an affront to British sovereignty.

"We reserve the right to oppose the Maastricht agreement tooth and nail," declared James Cran, one of the more vocal Tory opponents. "And that is what we are going to proceed to do."

Earlier in the day, members of Mr. Major's cabinet alternately begged and threatened Tory rebels not to support the amendment, warning they risked damage to their party, their government and the country.

Michael Heseltine, the minister for trade and industry, warned that the rebels "are doing this country a great deal of harm overseas as we are paraded as less than enthusiastic over Maastricht."

Peru Captures 2 Rebel Leaders LIMA — Anti-terrorism police have captured two military leaders of Peru's two leftist guerrilla groups, according to police sources.

Authorities detained a man they identified only as Commander Danilo, the head of an assassination squad of the pro-Cuban Tupac Amaru Movement, the sources said. The squad is believed responsible for the 1990 murder of Defense Minister Enrique López Albuja.

The sources also said that Marco Abanca, alias Commander Moises, was captured in Lima on Feb. 23. Mr. Abanca is thought to be the head of the Shining Path guerrilla group's military arm.

DEATH NOTICE VASSILTCHIKOV, Princess Irina. April 82, on 26 February, 1993, in Germany. Resident of Rome, she was the oldest sister of "Missie" Vassiltchikov of "The Berlin Diaries" 1940-1945 fame.

Advertisement for Hotel du Rhône in Geneva, featuring a logo and text: "HOTEL DU RHÔNE GENEVA. Our impressive renovation is complete we can't wait to show you the results. It's time to switch to 'the Rhône!' 'SIMPLY THE BEST'".

OPINION

Herald INTERNATIONAL Tribune

Afghanistan's Chance

It is an encouraging sign that two factions in Afghanistan have signed a truce and agreed on a formula to share power. Another major warlord, General Abdul Rashid Dostam, a former Communist...

Farms: Wipe Those Eyes

You do not have to be French to get misty-eyed over farmers. Large numbers of Japanese and even Americans are susceptible, too. Around the world, in a variety of cultures, farmers, especially family farmers, are prized as the ultimate custodians of national identity...

25 Rough Years of Hope

Twenty-five years ago this month, the Kerner Commission, which studied the causes of the '60s racial explosions in American big cities, concluded that the United States was becoming two societies, one black, one white, separate and unequal...

A Beefed-Up UN Presence Could Save Bosnian Lives

WASHINGTON — To Bill Clinton's first and foremost humanitarian aid, intended to relieve distress and boost peace, Bosnia's Serbs responded by stealing what they could of the supplies and, reportedly, massacring intended beneficiaries by the hundreds in Muslim villages...

Into a Balkan Quagmire? Take a Closer Look

MOSTAR, Bosnia-Herzegovina — In recent weeks, politicians and diplomats have offered rhetoric and diplomatic maneuvering in arguing about a U.S.-led military intervention in Bosnia. Opponents of military action have variously determined the Serbs to be unbeatable, the Balkan conflict to be a Vietnam-like quagmire or the terrain too mountainous to be vulnerable...



The writer served with the infantry in Vietnam and has spent the last year developing a network of foreign press bureaus in Croatia and Bosnia, which were funded by expatriate Croats. He contributed this column to The Washington Post.

For a Productive Partnership With Japan, America Needs a Truce

WASHINGTON — The Clinton administration has wisely accepted the assertion by Mike Mansfield, the former ambassador to Japan, that the U.S.-Japan relationship is the most important bilateral one in the world...

The Super Collider Deepens the Noble Search for a Final Theory

AUSTIN, Texas — After some uncertainty, the Clinton administration is financing the Superconducting Super Collider, a giant scientific instrument under construction in Texas. The debate over the \$8 billion project will now move to Congress...

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUEBNER, Publisher JOHN VINOCUR, Executive Editor...

HE'S FOR...

OPINION

It's Nixon the Bipartisan With His New World Tour

By William Safire

PARK RIDGE, New Jersey — "My partisan days are over." Coming from Richard Nixon, who has raised more partisan ire than any American public figure in the past half-century, that's a stunning statement. Back in 1966, the year of his first comeback, reporters listening to his longheaded world views would narrow their eyes and wonder about the "new" Nixon. I was present at the creation of his disarming and not defensive reply: "Of course there's a new Nixon — times change; there's a new America and a new world."

In 1993, at age 80, the American uniquely qualified to be foreign-policy elder statesman is renewing his role again. There may be a need for a Vandenberg, he says, recalling the Republican senator whose name is still associated with bipartisanship in foreign policy. He has just returned from a grueling two-week private trip to Russia and

vestment. In next month's summit meeting in Vancouver, Mr. Clinton should have specific ways "to put some meat on the table," as statesmen say, and Mr. Nixon has a few thoughts about that. America's stakes in Russia's reform could not be higher, because Mr. Clinton's budget package would be a dead letter if Russian nationalists took over and the U.S. defense budget had to be increased. Mr. Nixon is candid about his liking for Russians. "I'm a Russophile, but not a Commophile."

He takes a visitor on a world tour. On Bosnia: "I'm more hawkish than Bush was. You cannot work out a settlement unless there is a correlation of forces — the arms embargo was a mistake. Your colleague Gelb is right about that." On China: "They can never hope to attract Taiwan if they stomp on democracy in Hong Kong. I'll tell them that in Beijing." Trade pressure for human rights? "It would be a mistake for us to weaken the private Chinese economy — that's the greatest pressure for political reform, and the next generation is more Chinese than Communist."

Japan: "It's really dumb for the Japanese to predicate help for Russia on four little islands." America as world policeman: "Who the hell else do you want to lead the world — China, Japan, Germany? The UN? Russia and all those republics could be lost to freedom if America abdicates leadership."

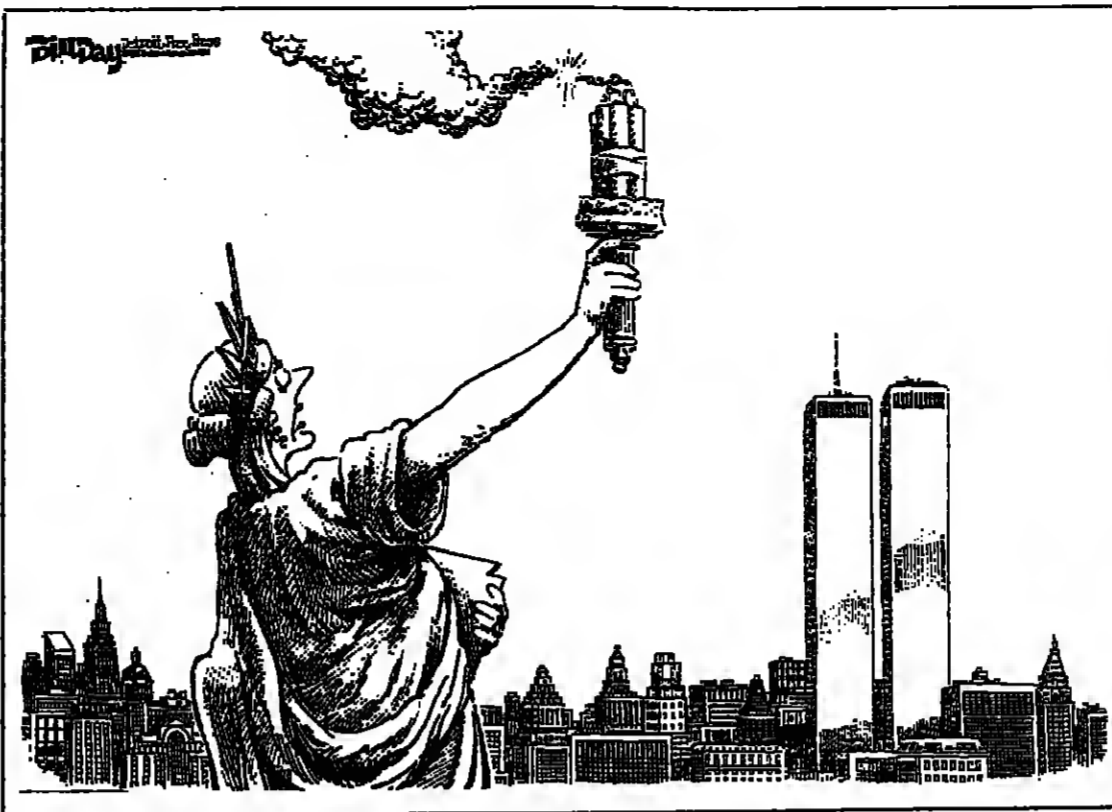
Mr. Clinton's call to arms? Looking out across a snowy landscape, Mr. Nixon gives an indirect reply: "By making freedom work here, we set a powerful example. We have to exercise leadership that makes the world respect us and build a society that makes the world admire us. You see misery in Moscow, but determination — poor in goods, rich in spirit. That's the message to get across to kids these days. What a great chance for Clinton."

The 1996 campaign? Mr. Nixon, the old gleam in his eye, leans forward: "Republicans should forget about '96 and think about good candidates for '94 — you can't win seven Senate seats with turkeys. In '66, two years after the Gold-water debacle, we —"

He catches himself. "Nope. I don't want to reduce my effectiveness in foreign affairs. My partisan days are over."

The New York Times.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.



LETTERS TO THE EDITOR

The Root of the Scourge

Watching the armed standoff with a cult leader in Texas and in the wake of the World Trade Center bombing, surely everyone's concern should be focused on the ease with which people can obtain weapons and explosives.

DONALD ARMSTRONG, Cannes.

Death of a Child

Regarding "Child's Death: Random Shell, or Ramadan Message?" (Feb. 26):

I'm a 34-year-old father and company manager. When I started reading this article, I dropped the paper and started crying. Please put this kind of news on your front page as long as such barbarism continues. When men cease to weep, humanity breaks apart.

S. FISCHLER, Antwerp.

A Special Place in Hell

Regarding "The Right to Succeed" (Letters, Feb. 13) from Daria Mihailovic:

Indeed, as Croatia has seceded from Yugoslavia, why should not Krajina secede from Croatia — and the contained Croat communities secede from Krajina, and the Serbian enclaves within them secede from the communities, ad infinitum, all in the name of not "forcing two mutually antagonistic peoples to live together"? No matter that they have lived and worked together, if not in mutual respect then at least without bloodshed, for 45 years.

The curse of unbridled tribalism, ethnicity, nationalism, ideological and religious intolerance and — dare I say it! — "patriotism" has played a key role in the misfortunes of mankind through this century and seems to wax rather than wane in its final decade. If we are each and all guilty of nurturing the embers of bigotry deep in our hearts, there must be a special place in hell for those of our leaders and opinion makers who use their position and skills to fan and feed these embers into an all-consuming fire.

GERALD E. DIXON, Geneva.

The Real Homosexual Risk

New reports that J. Edgar Hoover was a homosexual and was blackmailed by organized crime lead to certain conclusions and questions.

First, being a homosexual is no barrier to distinguished service to one's country. If the nation's top G-man was gay, why not a private in the army? Second, what is genuinely dangerous to national security is the closeted homosexual who is vulnerable to blackmail. How many hidden gays in the military are currently susceptible to such pressures?

REY BUONO, Singapore.

A Woman's Right Prevails

Regarding "Clinton and Abortion" (Letters, Feb. 17):

Basil Cole has come up with the most imaginative locution I've seen yet from the anti-choice crowd when he refers to

a fetus as a distinct "organism of human life." He can't quite bring himself to call it a "human being," because, in fact, it is not. What it is, is a potential human being, a potential which, in the best of all possible worlds, we would all want to nurture and cherish.

But in this risk-riddled world, abortion remains a safety net for women whose lives are often severely limited in other ways. I long for the day when women will no longer need or want abortions. That day had not yet arrived. Until it does, women need the choice.

Mr. Cole and others of similar conviction would have us believe that, in a world rife with injustices for the already-born, a pea-sized mass of differentiated tissue has rights that supersede those of a full-grown woman. I cannot agree.

No one thinks terminating a pregnancy is a pleasant decision. But abortion, legal or otherwise, will never be eliminated until the conditions that drive women to such drastic measures are abolished.

C. A. WALTERS, Milan.

Yes, in God We Trust

Regarding "War of the Sexes" (Letters, Feb. 25) from Joanne Kohler:

Indeed, the word "God" does not occur in the U.S. Constitution. But the Declaration of Independence has no fewer than three direct references to a divine providence.

J. SHERIDAN, Bergamo, Italy.

A Life of Human Decency Cannot Be Written Away

By Lally Weymouth

WASHINGTON — When I was a child, my father called my attention to words uttered by the Boston attorney Joseph Welch during the 1954 Army-McCarthy hearings. Mr. Welch, at one dramatic moment, halted the Wisconsin senator in mid-sentence — Joe McCarthy was busy denouncing a young colleague of Mr. Welch's former left-wing ties — and asked the senator: "Sir, will you not stop? Have you no sense of decency?"

The phrase has been reverberating in my mind in recent weeks, ever since Carol Felsenthal's book "Power, Privi-

1946. Six months later, my grandfather, Eugene Meyer, who had bought The Post in 1933, left to become president of the World Bank and appointed my father publisher. Contrary to Ms. Felsenthal's account, my father enjoyed a close relationship with my mother's father, an investment banker who also had headed the Reconstruction Finance Corp. and the Federal Reserve Board.

As publisher of The Post, Philip Graham proceeded to build what is today a formidable communications empire. He started in 1948 by purchasing a majority stock position in WTOP radio, the local CBS affiliate. Two years later, he engineered with my grandfather the purchase of the local CBS television affiliate. In 1953, he bought another TV station, WJXT in Jacksonville, Florida.

MEANWHILE

lege and The Post: The Katharine Graham Story" appeared in print. The book is a hideous caricature of my father and a slanderous depiction of my family.

If my father, the late Philip L. Graham, publisher of The Post until his death in 1963, championed one cause above all others, it was that of decency. Yet in Ms. Felsenthal's callous account, Philip Graham is a cruel, power-mad, narcissistic anti-Semite.

All of this is a monstrous lie.

It is important to note that the chief victim of Ms. Felsenthal's pen is my mother, Katharine Graham, chairman of the board of The Washington Post Co. Nor do I emerge from her false rendering of history unscathed. But at least my mother and I are able to defend ourselves.

Moreover, my mother's role as one of the leading figures in American public life stands virtually unchallenged. My father, on the other hand, is no longer with us. In August it will be 30 years since — at age 48 — he took his life.

Thus it falls to me, at least in part, to set the record straight.

Born in Terry, South Dakota, in 1915, Philip Graham soon moved with his family to Dade County, Florida, where his father, Ernest, worked on a sugar cane plantation. My father attended the University of Florida and then Harvard Law School. After graduating from Harvard Law in 1939, he went on to clerk on the Supreme Court for Justice Stanley Reed and then for Justice Felix Frankfurter.

In 1941, my father, a staunch interventionist, worked in the Lend Lease program. When war broke out, he joined the army. He met and married Katharine Meyer in 1940. Ms. Felsenthal insists on describing my mother as some sort of victim — first of her allegedly tyrannical mother, then of my ostensibly cruel father. But my parents' friend, Philip Elman — the distinguished lawyer and Kennedy administration official — tells me that my mother was pretty, engaging and altogether able to hold her own in intellectually challenging company.

Phil Graham became associate publisher of The Washington Post in January

Soon he and my grandfather acquired the Washington Times-Herald, a rival newspaper. That purchase represented a turning point in the history of The Post. In 1961 he made his final major corporate acquisition, purchasing Newsweek.

Aside from building a vast company committed to making public information accessible, Phil Graham, as the historian Arthur Schlesinger Jr. wrote shortly after my father's death, wielded "immense influence on people and affairs behind the scenes in Washington."

Phil Graham gave all of his children a prism through which to view people and life. He taught us a creed summarized in a letter he wrote to me in 1960: "Each of us is equally a unique individual, deserving of the common decencies."

Ms. Felsenthal's book and the reviews it has received promote the conclusion that my three brothers and I endured a painful childhood, burdened by one parent who was a veritable monster and another who was nothing more than a pitiful victim. Nothing could be further from the truth.

Toward the end of his short life, my father's mind was ravaged by a cruel and unforgiving emotional illness — one that was attended by aberrant behavior. (Today, the illness is treated pharmacologically.) It required him to be hospitalized. From his hospital, he wrote to me on July 20, 1963: "I'll keep trying, and before long I'll be doing better."

As it turned out, he could try no longer. A few days later he took his own life.

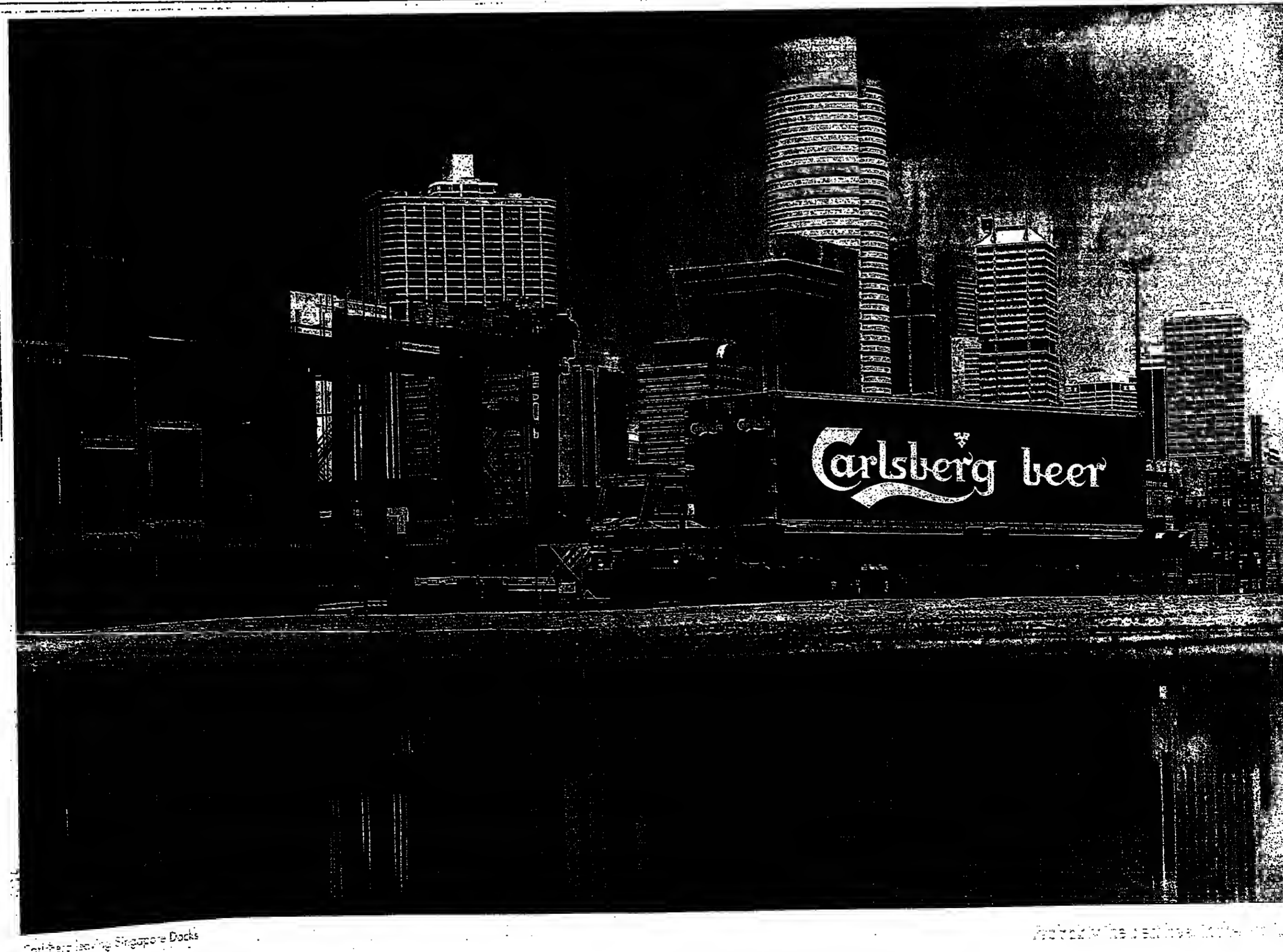
Phil Graham was animated by a vision, which his wife and children have endeavored to carry forward. He held that The Post should be "an independent newspaper, fixed with a love of liberty, capable of indignation over injustice, and aware of the destiny and responsibility of America as a world leader."

But it is also well to remember that he — like my mother and her children — believed in the overriding importance of simple and fundamental human decency.

The Washington Post.

Needs a Tr

a Final Th



Carlsberg beer Singapore Docks

Bus Ambush Kills 4 Blacks, 3d in Week in South Africa

The Associated Press
JOHANNESBURG — Four blacks were killed and eight were wounded Monday when gunmen ambushed a bus near Pietermaritzburg, the third mass shooting near the eastern city in a week.

The attacks are part of the rivalry between the African National Congress and the Inkatha Freedom Party, the country's two largest black groups.

A police spokesman, Captain Henry Budram, said the bus was attacked near Wartburg, about 50 kilometers (about 30 miles) east of Pietermaritzburg.

The bus was carrying about 80 ANC supporters to a court hearing in Pietermaritzburg. It was the third bus ambush in a week, all within a 40 kilometers of each other.

In the first attack, on March 2, six schoolchildren were gunned down. An Inkatha official was the father of three of the victims. On Friday, 10 people were gunned down while taking a minibus home from work. Most were ANC supporters.

Six blacks have been arrested in connection with the first two massacres, but no one has been arrested in the latest attack.

CRIME: Anarchy in South Africa

(Continued from page 1)

can you do if the cops won't help?"

This day was merely a typical day, filled with merely typical mayhem. But some mornings the fare is even more horrific in this city, which has described itself as the crime capital of the world: An elderly couple's throats slit by intruders; a child's sexual organ chopped off to make sure a magic potion; a man burned to death after being found guilty in a township "people's court."

The murder rate in South Africa has doubled in the past four years; on a per-capita basis, this country is now 10 times deadlier than the United States. Of the 19,400 murders committed last year in South Africa — excluding its 10 homelands — fewer than 2,500 had a political motive, police say.

Last week a newspaper calculated that Johannesburg, the financial, industrial and population hub of the nation, was twice as deadly a place to live in as Rio de Janeiro, which used to be considered the world's murder capital.

There is no mystery about the cause of the crime wave. South Africa is in the midst of a profound transition from apartheid to democracy. The old order is dead; the new order has not yet been born. In the interim, institutions have lost their legitimacy and social anarchy has taken over.

"Long transitions are inherently

dangerous, but we have a special situation here — a history of the state having used violence to enforce its political will," said Lloyd Vogelman, director of the Center for the Study of Violence and Reconciliation at the University of Witwatersrand.

"Once you lift the repressive lid, all of the resentments, all of the desire for revenge, all of the bitterness that had been bottled up for so long have a chance to be expressed," he said.

There are other aggravating factors. The three-year political transition has coincided with a steep recession. In a nation of 31 million people, 9 million to 15 million live below the poverty line — alongside some of the more exclusive neighborhoods of Beverly Hills.

One of the things that has changed since then is that a culture of violence has taken hold in the black townships. It started in the 1970s and the 1980s, as a response to apartheid-era state repression. But the thuggery, born of "the struggle," now mostly serves the end of crime.

Then there is the problem of the police. For decades they were the heavy-booted enforcers of apartheid; now they are the leading victims of its demise.

A record 226 policemen were slain last year, making law enforcement here a career that is a dozen times deadlier than it is in the United States.

Fighting Mars Start of Afghan Accord

ISLAMABAD, Pakistan (Reuters) — Gulbuddin Hekmatyar formally accepted the post of prime minister on Monday, and President Burhanuddin Rabbani said the two arch-enemies had resolved to start afresh.

But rockets slammed into the western suburbs of Kabul just hours after the warring Afghan leaders signed a peace accord in Islamabad to end 11 months of fighting in the city. Three people were killed and 25 injured.

The government blamed members of a minority party, the Islamic Coalition Council of Afghanistan, but party said the government fired first. Thousands of people have died in battles for power since the rebels overthrew the Communist government in April.



A group of Muslim refugees awaiting medical help on Monday in Donje Mostre, a village northwest of Sarajevo, the Bosnian capital.

BALKANS: Bosnian Quits the Peace Talks and Orders Attack on Serbs

(Continued from page 1)

factories on the Dalmatian coast. Croatia's state-owned power company, Elektroprivreda, ordered all electricity supplies to be cut from 7 A.M. to 5 P.M. daily for an indefinite period.

The company said the measures were aimed at staving off a total loss of power to the area.

The order to attack by the Bosnian commander, broadcast on Bosnian radio, said all available troops of the army's 2d Corps, based in Tuzla, should move into the Cerška and Konjevic Polje area. Serbian forces overran Cerška last week, forcing thousands of residents to flee, and have been shelling Konjevic Polje.

On Saturday, military leaders of the Bosnian Serbs told General Morillon that they would not permit relief workers to evacuate even the wounded and sick from the trapped Muslim enclaves of Cerška and Srebrenica until Serbs were allowed to organize an exodus of Serbs from Tuzla and other nearby towns under Bosnian government control, said UN officials in Tuzla.

The Bosnian commander said government troops in the east should support an offensive to lift

the siege of Konjevic Polje and Srebrenica.

A UN spokesman, Commander Barry Frewer, said Mr. Hallovic pulled out of talks with General Mladic, the Bosnian Serbian commander, on a truce for eastern Bosnia.

General Morillon had scheduled a meeting with them on Monday to discuss a possible cease-fire.

Anders Levinson, a UN refugee official in Tuzla, quoted Dr. Simon

Mardell of the World Health Organization as saying that people in Srebrenica required urgent medical attention and that many needed evacuation.

"The medical is extremely urgent on humanitarian grounds," he quoted Dr. Mardell as reporting by radio. He said the doctor had said he had witnessed "the worst hospital conditions" he had ever seen in his "years of work in Afghanistan, Liberia and other places."

(AP, AFP, Reuters, NYT)

German Elections Herald Decline of Traditional Parties

Compiled by Our Staff From Dispatches
BONN — The Social Democrats, the big losers in voting in which the far-right Republicans surged beyond all predictions, promised Monday that they would take a tougher opposition policy in Bonn to show how they could protect "the little man" against social spending cuts planned by Chancellor Helmut Kohl.

The vote Sunday was seen as a further blow to the established parties and a harbinger of mounting frustration with the failure of most politicians to solve problems that have arisen since German reunification in 1990.

"We will see dramatic changes in the political landscape next year," predicted Joschka Fischer, the leader of Hesse's Greens, which also picked up strength Sunday. "Unification covered up much of what is now coming out."

The Social Democratic mayor of Frankfurt, Andreas von Schoeler, said that "this was much more than a regional election," adding that the voting showed that the main parties "had difficulties adjusting to the changed relations after German reunification."

The anti-foreigner Republicans, who are under investigation on suspicion of being anti-democratic, won 8.3 percent of the vote Sunday in local elections across Hesse, and won 9.5 percent in Frankfurt, Germany's financial capital.

The Social Democrats, the traditional power in the prosperous western state and the main opposition party in Bonn, plunged 8.4 percentage points from Hesse's 1989 local election, to 36.4 percent.

"There are no mass parties any

more," said Daniel Cohn-Bendit of the Greens, another big winner with 11 percent. "There are only former mass parties that cannot integrate their fringes."

Johannes Rau, vice president of the Social Democrats, attributed his party's poor showing to "losing touch with reality" while another member of his office, Heidemarie Wiecezorek-Zeul, said it was a "warning signal from voters."

Mr. Kohl said Monday that he hoped the Social Democrats would now stop blocking progress on a "solidarity pact" for economic recovery. The chancellor, who attributed the gains by the Republicans in Hesse to "endless arguments" in Bonn, said: "I have a clear intention to compromise."

The Social Democrats and the Christian Democrats have been fighting for months over the solidarity pact, intended to help finance reunification.

"There must be no cuts in social welfare, unemployment, and real support," said Hesse's Social Democratic premier, Hans Eichel. "If someone insists on that, then there won't be any solidarity pact."

He acknowledged that party leaders were quarreling too often in public and said: "There are too many soloists on the stage."

Mr. Kohl's Christian Democrats slipped 2.3 percent to 32 percent, a result that was better than expected for a party facing dissatisfaction from voters fed up with politicians.

The next national elections are 21 months away. Latest opinion polls give the Social Democrats 39 percent, the Christian Democrats 35 percent, the Greens 9 percent, the conservative Free Democrats 9 percent and the Republicans only 3 percent.

The Republicans, led by Franz Schönhuber, a former soldier in Hitler's Waffen-SS elite troops, were especially successful in taking votes from the Social Democrats and mobilizing undecided voters, pollsters said.

Only 71.3 percent of 4.3 million eligible voters in Hesse bothered to cast their votes, the lowest turnout since 1948.

The Republicans, beer-hall nationalists who emerged as a key splinter group in 1989, came back last year as the most successful of the many small far-right parties.

Contesting almost all seats in 33 cities and districts in Hesse for the first time, they won up to 15 percent in some local councils in the first test of voter sympathies after last autumn's wave of anti-foreigner violence. (Reuters, AFP, AP)

Iraq Detains 2 Pakistanis

KUWAIT — Iraqi authorities have detained two Pakistani soldiers who drove by mistake last Thursday into Iraq, United Nations observers said Monday. A spokesman for the UN mission said that they "accidentally but illegally entered Iraq after taking a wrong turn at a junction."

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2 Rightists Indicted in Arson Murders

Compiled by Our Staff From Dispatches
FRANKFURT — Two rightist extremists were indicted Monday for a firebombing that killed three Turks in November.

The two men were charged with three counts of murder, attempted murder and arson for the firebombing of a building in the northern German town of Mölln, according to the chief federal prosecutor.

The attack was the deadliest in more than 2,200 acts of violence against foreigners in the last year, in which 17 people have died.

In Berlin, a court sentenced seven young arsonists to up to three years of youth detention for setting afire a home for asylum-seekers in August. The seven, aged 17 to 21, were found guilty of arson and serious breaches of the peace. They were cleared of charges of attempted murder.

The Mölln attack killed a Turkish woman, 51, who had been a longtime resident in Germany, her daughter, 10, and her niece, 14.

It outraged the nation and prompted a crackdown on rightist groups. Some view the reaction as a turning point that helped to quell weeks of neo-Nazi attacks that started in late August.

The Federal Prosecutor's Office said Michael Peters, 25, and Lars Christiansen, 19, were indicted in the Mölln arson attack, which also injured five people.

In addition, they were charged with attempted murder and arson in another firebombing in Mölln that injured nine Turks.

Mr. Peters was also charged with attempted murder and arson in two other cases outside Mölln, which is about 40 kilometers (25 miles) east of Hamburg.

Mr. Peters was arrested Nov. 24, while Mr. Christiansen was arrested Nov. 28. They are being held in prison while awaiting trial.

Mr. Peters has told that police he and Mr. Christiansen had telephoned the police and the fire brigade after each blaze in Mölln to report them, ending with the words "Heil Hitler."

Mr. Christiansen slashed his wrists in a prison cell in December in the Baltic port of Lübeck, where he has been held since his arrest.

Meanwhile, unidentified attackers firebombed Turkey's consulate in Hamburg and smeared it with paint, the police said. A group of about 15 people threw a firebomb and five paint bombs at the building late Sunday before fleeing, a police spokesman said.

There were no injuries. The fire was put out by guards outside the building. (AP, Reuters)



Three fire continents, impressions of the Singapore Civil.

Handwritten text at the bottom of the page.

How Will Israel Spend the Money? U.S. Watches Closely

By Clyde Haberman
New York Times Service

JERUSALEM — For many months they held center stage in U.S.-Israeli relations, becoming a barometer of how the countries were getting along. President George Bush withheld them from Israel to punish one prime minister, Yitzhak Shamir, then handed them as a reward to a triumphant new leader, Yitzhak Rabin.

Now, with political squabbles set aside, Israel is about to go to market using the much-disputed American loan guarantees, which will make it easier for Israel to borrow up to \$10 billion over the next five years to help generate jobs for a large influx of new immigrants.

The first \$1 billion in these U.S.-backed loans are expected within a month, and Finance Minister Avraham Shohat says they will be used for telecommunications, power generation, roads and other infrastructure improvements.

While the United States is not putting up its own money — only its assurance that it will cover bad debts should the Israelis default — it will closely monitor how the borrowed cash is spent.

Most of all, U.S. officials say, they want to be sure

that none of it winds up in the occupied West Bank and Gaza Strip, as Washington believes was the case under Mr. Shamir two years ago with a smaller batch of U.S.-guaranteed loans.

Mr. Shohat has reportedly acknowledged to American Jewish leaders that Israel's spending habits "will be under a microscope" for quite a while.

Loan guarantees aside, questions have arisen about how much longer Israelis can count on the substantial amount of regular U.S. aid — \$3 billion a year — that their leaders have come to expect as their due. In recent weeks, they have heard fresh American warnings that while the aid looks safe for 1994, they had better not take it for granted in following years.

"The commitment of the American government and people to Israel is not in question, now or in the future," William C. Harrop, the U.S. ambassador to Israel, said Thursday. "But it may prove difficult to maintain our economic aid at its current high level."

On Friday, the State Department distanced itself from Mr. Harrop's remarks, saying that "he was not speaking on instructions" from Washington. Nonetheless, the ambassador merely echoed what the Israelis had already heard from others, including members of Congress.

The \$3 billion a year amounts to 8 percent of Israel's government budget and 5 percent of its gross national product, but Israelis disagree among themselves about how indispensable that total is.

Not vital at all, say some, conspicuously rightists who argue that the less that Israel depends on Washington's largesse, the less vulnerable it will be to U.S. pressure to give up settlement activity and land in the territories.

But that is not the view of the present government, and when Mr. Rabin leaves this week for the United States and a first meeting with President Bill Clinton, one of his priorities will be to nail down existing aid levels.

A few weeks ago, staging the equivalent of a preemptive strike to protect the assistance, the prime minister said Israel "is entitled, more than entitled" to the \$3 billion it has been getting since the mid-1980s. Foreign Minister Shimon Peres also said inflation had cut the value of the aid package by about one-third over the years.

Moreover, Israeli officials note that relatively little of this money ends up in government coffers. Of the total, \$1.2 billion is considered economic aid, but it goes back to Washington to repay old Israeli

debts for military purchases. Of the \$1.8 billion in military aid, more than 70 percent must be spent on U.S.-made equipment and weapons, and thus, the Israelis argue, it helps create American jobs.

Even so, some Israelis and their American Jewish supporters acknowledge that talk about Israel's entitlement may not sit well in Washington at a time when foreign aid is unpopular and other countries also are demanding attention.

Israel, the largest single recipient, accounts for 20 percent of the total foreign-aid budget, and even a supporter like Senator Daniel K. Inouye, Democrat of Hawaii, has warned against thinking "it will go on forever."

Questions about Israeli dependence on Washington also extend to the loan guarantees, which provide Israel favorable bank terms that it probably would not receive on its own: 30-year borrowing, low interest rates and no repayment of the principal for the first 10 years.

The terms are so good that Mr. Shohat recently asked the Israel Bonds organization, which had raised a record \$1.2 billion worldwide last year, to scale back its own more costly borrowing by about 20 percent.



EGYPT MURDER TRIAL — Relatives of Islamic fundamentalists charged with the 1990 assassination of Egypt's National Assembly speaker taking notes on Monday at a hearing in a Cairo court.

Assad Failing? No, Envoys Say Spartan Life Seems to Put Illnesses in Check

By Nora Boustany
Washington Post Service

DAMASCUS — Rumors that President Hafez Assad is in failing health come and go but are largely unfounded, according to foreign officials who have met with him, ambassadors who have presented their credentials in recent weeks and numerous aides.

Mr. Assad, 62, has ruled Syria since coming to power in a military coup 22 years ago. His strong leadership put an end to the country's series of coups d'etat, and Syrians and others now express fears that if he were absent from the scene as Damascus becomes more engaged in peace talks with Israel, it would be destabilizing for Syria and the whole region.

Suffering from diabetes and what is described here as a manageable heart problem, Mr. Assad still works long hours, reportedly leading a spartan life of frugal meals and no private pleasures. "He has

become a monk for himself and a monk for Syria," an Arab ambassador observed.

In any case, Mr. Assad appears to be grooming his son Basil, 30, a civil engineer and army major, for an eventual role as statesman.

"If Assad jogs 10 miles, he will probably collapse, but he is very careful. He knows Syria needs him for another few years. Otherwise, the work of his lifetime will go down the drain," a diplomat said.

The prospect of the passing of their leader, whether now or in 10 years, has many Syrians worrying about what could happen in a power struggle — possibly between contenders from the majority Sunni Muslim sect or from the ruling minority Alawite sect.

"If Assad goes, nobody knows what direction Syria will take," a member of his ruling Ba'ath Party confided, although Mr. Assad insists that the institutions he has founded will steer Syria out of

any major crisis in his absence.

A recent shake-up of military intelligence officers, and the promotion of Ali Douba, head of military intelligence and a longtime trusted associate of Mr. Assad's, to deputy chief of staff for security affairs, has spawned a new cycle of rumors.

Some Syria watchers say the shake-up is linked to drug trafficking and corruption charges against three of General Douba's minor aides, but others insist it is part of the preparations for a post-Assad transition.

The presence of Mr. Assad's younger brother, Rifaat, who had been exiled to Europe in 1985 for attempting to seize power during the president's first major illness, has added to the intrigue.

Rifaat Assad was allowed back in August for their mother's funeral and reportedly was pardoned, but he has yet to be given back his perquisites, and powers as one of three appointed vice presidents.

As Israel Lifts Gaza Closure, 2 Palestinians Slay Jewish Boss

GAN'OR, Israeli-occupied Gaza Strip — Two Palestinians fatally stabbed their Jewish settler employer in the Gaza Strip on Monday, raising to four the number of Jews killed by Arabs in a week, military sources said.

The settler, Uri Magidish, 39, was taking the two Palestinians to work at his residence in Gaza Or, a Jewish settlement in southern Gaza, when he was killed.

The stabbings occurred hours after Israel lifted a closure order on the strip's 750,000 Palestinians, enabling some 30,000 workers to go to jobs in Israel for the first time in six days.

Later, Jewish settlers returning from the funeral opened fire on Arab workers, hitting at least two people, Palestinian witnesses said. The police were checking the report.

Israel Radio said the Arabs in-

voiced in the settler's killing had worked for Mr. Magidish as day laborers for several weeks and that their identity was known. Palestinians said the Fatah Hawks, linked to the mainstream wing of the Palestine Liberation Organization, claimed responsibility for the attack.

Leaders of Gaza's 3,000 settlers called for a crackdown in the strip. Israel sealed off the area Tuesday after a knife-wielding Gazan killed

two Israelis and wounded eight in Tel Aviv.

When six Israeli soldiers were killed in a week in December, Prime Minister Yitzhak Rabin expelled 415 Palestinians to Lebanon.

Arab-Israeli violence has increased since Mr. Rabin expelled the Palestinians, accusing them of links to militant Muslim groups. Jews have killed 52 Arabs and Arabs have killed eight Jews — four in the last week.

The army had said the closure would enable it to review procedures for granting Gazans work and exit permits and to prevent Israeli-Gazan violence.

Palestinians and human rights groups denounce closure orders as collective punishment. Israeli officials acknowledge that closures create a "pressure cooker" among Gazans, many of whom depend on low-paying jobs in Israel for their livelihood.

But Deputy Defense Minister Mordechai Gur, who had observed the lifting of the closure at Erez, said there was no direct link between sealing off Gaza and the settler's stabbings.

"There are many elements in the Palestinian population that oppose coexistence, that attack Jews and Israelis wherever they are, and we have to fight this endlessly," he told army radio.

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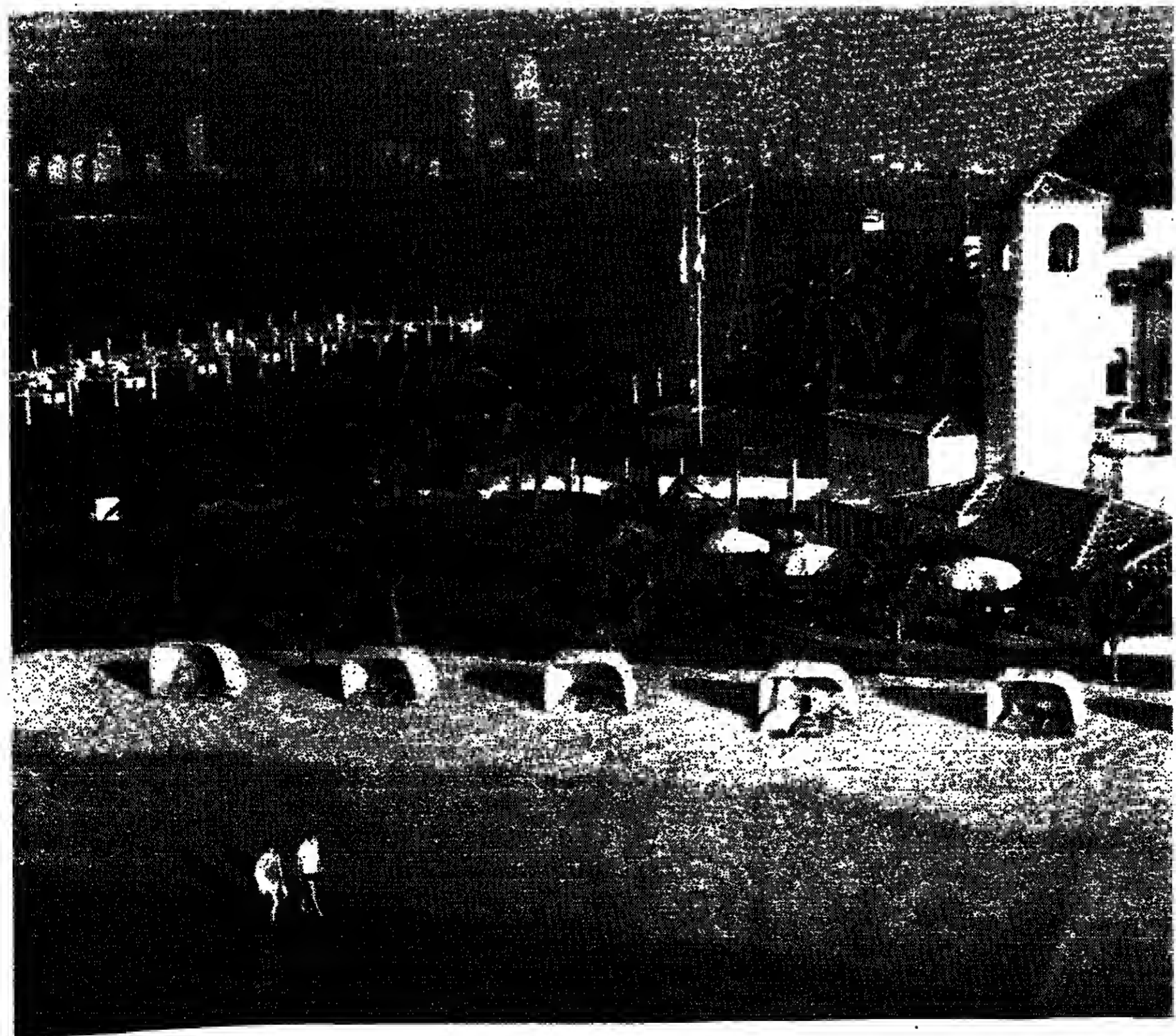
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Style

Back to Future in Gothic Revival

LONDON — With wit, whimsy and its perennial costume-party spirit, British fashion uncorked the international fashion collections. The shows were held for the first time before Milan and packed into a brief two days, the fashion fair "reduced" to renting rooms at the Ritz. But in spite of the recession, London fashion lives.

The key image is a medieval princess, in languorous satin tunic or panne velvet coat with trumpet sleeves. Hair was long and straight; pants soft and wide; hats were floppy felts skewered with roses. Colors were dusky pink, bruised plum, eggplant and poison green. It is back to

LONDON FASHION

Biba (the swinging London boutique is the subject of a museum exhibition) and back to Audrey Hepburn and the Pre-Raphaelites who were a source of inspiration in the hippie era. Done by designers who had not been there before, the clothes had a quirky romance and charm.

The fashion news was in the return of knits — especially the cardigan coat and long vest. Such tailoring as there was had an Edwardian feel or was made in droopy crepe — a lead fabric.

Many designers had given up on the big, boffo presentation and retreated to showrooms — including Zandra Rhodes, resident in her signature scissored chiffon at the reception given by Michael Heseltine, minister for trade and industry. Squeezed by the earlier dates for international shows, with major British designers showing in Paris, London faces an uncertain situation. But Jasper Conran — showing in his showroom and in Paris next week — put things in perspective, when he said: "It's not Milan, Paris or New York, but it has its own individual approach."

Conran had sweeping cardigan coats in Fortuny-inspired velvets and softened his tailoring by using fine soft fabrics from light cashmere through crepe.

"It's a time for London again — they are such individuals," said Joan Kanner of Neiman-Marcus. "It's not about collections here, it's about having the patience to find the pieces."

Nicholas Knightley, a 24-year-old designer, caused Saks Fifth Avenue buyers to delay the departure to Milan to place an order. His collection was fragmented, but it had a sweet freshness in Fair Isle sweaters like skiwear from the 1930s, flared knitted tunics and in the delicate bias-cutting that makes long skirts liquid and languid.

John Rocha, a Hong Kong designer working in Ireland, had the originality to take the medieval inspiration back to Celtic roots, making dresses swirling with symbols. His hippie patchwork dresses were in a sophisticated mix of velvet, knit and Irish lace. Rocha's knits were especially strong, on long lean lines and sometimes worn with short sleeves over full-sleeved blouses, which is a trend.

ARABELLA Pollen, taking Beardsley as her inspiration, decorated her curvy tailoring with sinuous Art Nouveau lines, using flock on grosgrain or rows of Edwardian-style velvet buttons. Designers with strength in fabrics were in medieval mood: Georgina Von Ezzard had velvets panache, bouffé, devore (a "burnt-out" technique) or printed with stylized flowers; English Eccentrics had devore velvet tunics darkly patterned like gloomy stained-glass windows; Timney Fowler's prints were of baronial keeps, medieval castles or the paintings of the Victorian Gothic-revival artist Dame Gabriel Rossetti.

Jean Muir sent out a subdued but fine collection in black and dull green — plain tunics, cut high under the bosom, which was also the shape of her soft jersey dresses. Being a master of cut, Muir used the new proportions to elongate her line, although she presented shorts under a cardigan coat as an alternative.



Clockwise: Ossie Clark (above) at London shows; Jean Muir favors simple tunic; Edina Ronay goes for Gothic princess look, and Red or Dead's skeleton print.



Suzy Menkes



Frock coat and old lace from Dolce & Gabbana; Valentino's Oliver line with His and Hers ruffles and quilting.

Son of Grunge: It's Recession Chic

By Suzy Menkes
International Herald Tribune

MILAN — The country is in crisis. The Milanese are morose. The bosses are in debt. In trouble or in jail. And it's time for the new fashion season. Well, "Holy Chic!" as Moschino prints it on a monastic dress, the Italian designers have discovered recession dressing.

Take a trunk from the attic, pull out a tapestry frock coat, patch a jacket from a grab bag of fabrics and fling round a feather boa. That is the costume-party look Dolce & Gabbana sent out Sunday to open the autumn-winter shows. It worked.

Thrift-shop style was once a British specialty, but now everybody is into second-hand-Rose. The story in the early Milan shows — they wind up Thursday — is of romantic, floating layers, a strong revival for knits and tailoring given a dandyish curve and a set of lace collars and cuffs. Coats sweep the ankle, skirts graze the calf, pants are wide and Victorian chimney-pot hats are in.

The skill of Stefano Gabbana and Domenico Dolce was to pick up items from the flea market of the imagination — mixing periods and countries, and masculine with

land, they did this attic chic well — in a commercial way. Their fashion trip included the dandy pantsuit, Milan's statement of this season (and last) with the obligatory ruffles, stove-pipe hat and his of old lace. Fine military greatcoats went over what were once called bon pants and lacy hose.

The frock coat and the costume look come from British designer John Galiano, a major influence on current fashion who won't be showing this season but will present a collection in July during the Paris haute couture shows.

Franco Moschino is a hippie at heart and his collection — presented in the showroom — had references to Swinging London reworked for modern times. A patchwork skirt? Take a bunch of biodegradable fabrics, overlap them on like roof tiles — and call it recycling.

The theatrical trunk for his Oliver show — but he had sent all that worn velvet and limp lace to the dry cleaners. Paisley silk shirts positively shone; velvet knickers gleamed; patterned jackets glowed with bright color; the jabs and lace cuffs that spilled from jackets had that freshly-laundered look. The shiny newness seems to destroy the romance of a style that is supposed to have a faded grandeur and crumpled charm.

But Valentino had a message: "Young men no longer find it necessary to prove their virility, and young women do not need to show aggressive femininity." He sent out a model with waist-length hair, and a matching female in identical clothes.

There is a credibility gap between the New Wave models on the runway in their costume clothes and the real world. Max Mara sent out clothes that looked realistic for tough times: lush long coats worn with wide pants and elongated knit tunics or cardigans.

Antonio Fusco also had the clothes that real people wear. If they are rich and classy enough: classic coats and jackets in country colors were in such fine quality fabrics that they seemed more impressive to the touch than in the capsule fashion show.

Mario Valentino is also about class and quality, but the leather house decided to go hip, sending out flying jackets fluffed with Mongolian lamb, maxi suede coats trailing over velvet skirts and even a cheese-cloth smock worn over a fur skirt.

And that's the story so far in Milan. Designers are turning the downtown grungy costume trunk look into Recession Chic.

MILAN FASHION

lady-like clothes. Under it all — the Eliza Doolittle violets, the Biedermeier beading, the boas and miles of fringe — was their signature silhouette. Although Dolce & Gabbana had abandoned the sensual and erotic, pantsuits still had a curving silhouette and layers of chiffon fell lightly over the body.

There is no hiding the big coverage going on in fashion. Dolce & Gabbana had swashbuckling greatcoats — a military story that was part Ruritania and part swinging London. Under the long coats or jackets would go floor-sweeping chiffon dresses. When exactly are these chiffon or lampshade-fringed dresses going to be worn? In the office? At the disco? On the subway? No way. They just seem part of a fantasy that is leading fashion away from power tailoring.

Byblies went for the costume trunk, fishing out dark printed silk, lace or chiffon and funky hats and fusing them with sleek Italian tailoring. Since designers Keith Varty and Allan Cleaver come from Eng-

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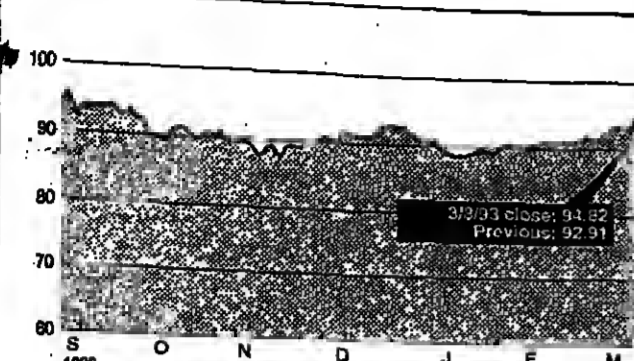
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THE TRIB INDEX: 94.82

International Herald Tribune World Stock Index of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Table with 3 columns: Asia/Pacific, Europe, N. America. It lists various sectors like Energy, Capital Goods, Raw Materials, Consumer Goods, and Services with their respective values and percentage changes.

For details please refer to the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 161 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

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INTERNATIONAL STOCKS

Dutch Stock Market Aims To Reclaim Lost Ground

By Jon Henley
Special to the Herald Tribune
AMSTERDAM — The Amsterdam Stock Exchange, which claims to be the oldest regular stock market in the world, is planning changes to stem a flow of Dutch equity business to the City of London. Its planned restructuring, due this year, will be less radical than London's 1986 upheaval, but it looks to be just as controversial, with job cuts inevitable and private investors already protesting.

See AMSTERDAM, Page 13

Delors Extends Social Bid

Seeks Global Pact After GATT Deal

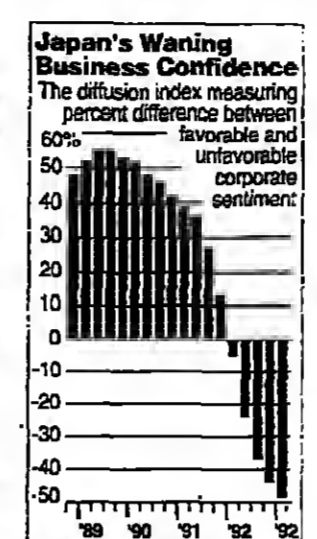
By Steven Brill
International Herald Tribune
BRUSSELS — The EC Commission president, Jacques Delors, called Monday for an international agreement on social issues to be negotiated between the signatory nations of the General Agreement on Tariffs and Trade.

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Japan Gloomy on Economy

Business Confidence Hits a 20-Year Low

By Steven Brill
International Herald Tribune
TOKYO — Japanese business confidence has sunk to its lowest level in nearly two decades, the Bank of Japan said Monday in a report that will add pressure on the government to stimulate the economy further or risk a backlash from trading partners and in elections expected this fall.



Source: Bank of Japan

By Steven Brill
International Herald Tribune
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Stocks Rocket To Record Close, Bond Rally Wilts

NEW YORK — Wall Street and London stock markets soared to record highs on Monday, but U.S. Treasury bond prices took a late hit as investors apparently decided the recent rally had gone far enough.

Japan Weighs Broader Protection for Consumers

By Andrew Pollack
New York Times Service
TOKYO — Japanese consumers now have a test case of just how committed the government is to protecting their rights.

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Evans's Random House: It Glitters, but Does It Make Money?

By Geraldine Fabrikant
New York Times Service
NEW YORK — Changing careers at a senior level is a tricky business in any industry, let alone the fiercely competitive book industry. But in the two years since he took over the Random House Trade Publishing Group, Harold Evans, a man who built his career as the editor of The Sunday Times, of London, has by many measures made a successful transition.

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CURRENCY & INTEREST RATES

Table with columns for Currency, Gross Rates, and Other Dollar Values. It lists various currencies and their exchange rates against the dollar.

Eurocurrency Deposits

Table with columns for Eurocurrency Deposits, Key Money Rates, and United States. It lists interest rates for various currencies and deposit types.

Marc Rich Steps Down

ZUG, Switzerland — The fugitive businessman Marc Rich is stepping down as head of his commodity-trading company and ceding control to the next generation, the company announced Monday.

SEB

Table with columns for Sales, Operating Income, Interest Expense, Operating Income after Interest, Other revenues and expenses, Income tax, Pre-tax income, and Income + amortization. It shows financial data for SEB for 1992 and 1991/1990.

MARKET DIARY

Profit-Taking Pulls Dollar Back Down

NEW YORK — The dollar weakened against the Deutsche mark and the yen on Monday as investors took profits from the U.S. currency's meteoric rise Friday, traders said.

The dollar slipped to 1.6635 DM from 1.6690 DM late Friday and fell to 116.75 yen from 117.65 yen.

Foreign Exchange

The U.S. currency declined to 1.5400 Swiss francs from 1.5458 francs and to 5.6405 French francs from 5.6555. But the pound slid to \$1.4423 from \$1.4460.

Although weaker against the mark, the dollar probably will hold most of the ground it gained late last week, traders and analysts said.

"The dollar is in good shape at the moment," said Keith Cheveralls, foreign-exchange manager at Nippon Credit Bank in New York. The dollar jumped to a 1993 high of 1.6742 DM on Friday after the U.S. Labor Department said 365,000 more Americans got jobs in February, three times the number that was expected.

Continued economic growth in the United States and prospects for lower interest rates in Germany bode well for the dollar, Mr. Cheveralls said. The U.S. currency could make new 1993 highs against the mark soon, he added. Lower interest rates abroad make U.S. investments more attractive, boosting demand for the dollar.

Speculation that industrialized nations may try to strengthen the yen to curb Japanese exports continues to weigh on the dollar, said Mr. Cheveralls of Nippon Credit.

The dollar fell to a post-World War II low of 115.85 on Feb. 22, shortly after Treasury Secretary Lloyd Bentsen said a stronger yen would help U.S. trade with Japan.

In London trading, the dollar closed at 1.6627 DM, down from 1.6720 at the close Friday, and at 116.625 yen, down more than a yen from Friday's close at 117.83.

The U.S. currency also finished at 5.6350 French francs and 1.5370 Swiss francs, down from Friday's close of 5.6555 francs. The pound firmed to \$1.4470 from \$1.4468 on Friday.

STOCKS: Dow Soars to Record

(Continued from first finance page) billion to \$100 billion to the economy by refinancing loans at the reduced interest rates available, cutting their monthly payments and providing more spending money.

Adding to the overall cheer, Susan Phillips, a member of the Federal Reserve Board, said in New Mexico that interest rates could fall from their already low levels.

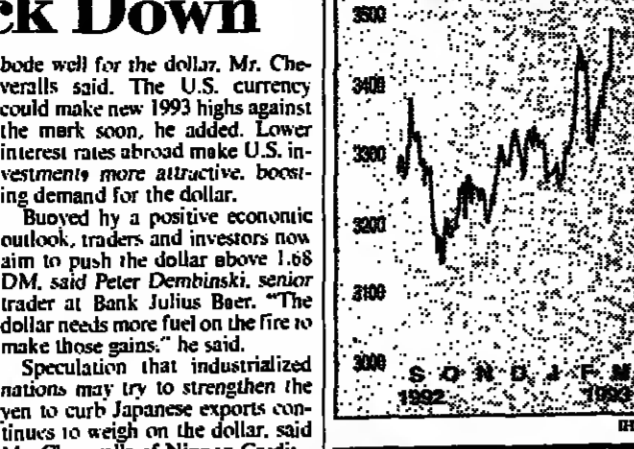
"There is still room to come down significantly," she told reporters before addressing a meeting of state bankers at the University of New Mexico. She did not elaborate.

Humana was the most-active issue on the New York Stock Exchange, up 1/4 to 6 1/2. The health-plan company spun off its hospital operations off into Galen Health Care Inc., which traded at 13.

Apple also got a boost from Compaq's plan to eliminate list prices and sharply cut the costs of some of its models (Page 14). Investors are betting the move will squeeze some of the smaller companies out of the market. Compaq rose 3/4 to 48 1/2.

Gold was a casualty of the stock rally as investors dumped the metals by shares. On the Commodity Exchange in New York, gold sold \$2.70 an ounce, to \$327.70. (Bloomberg, UPI, Reuters, Knight-Ridder)

The Dow



Daily closing of Dow Jones Industrial Average, 1982-1993

NYSE Most Active

Table listing the most active stocks on the NYSE, including IBM, Microsoft, and Intel, with columns for volume, high, low, and change.

AMEX Most Active

Table listing the most active stocks on the AMEX, including various technology and financial stocks.

NYSE Diary

Table providing a daily summary of NYSE trading, including volume, advance-decline ratio, and new issues.

AMEX Diary

Table providing a daily summary of AMEX trading, including volume and new issues.

NASDAQ Diary

Table providing a daily summary of NASDAQ trading, including volume and new issues.

Dow Jones Averages

Table showing the closing values for the Dow Jones Industrial Average, S&P 500, and NYSE Composite.

Standard & Poor's Indexes

Table showing the closing values for various Standard & Poor's industry indexes.

NYSE Indexes

Table showing the closing values for various NYSE industry indexes.

NASDAQ Indexes

Table showing the closing values for various NASDAQ industry indexes.

AMEX Stock Index

Table showing the closing values for various AMEX industry indexes.

Dow Jones Bond Averages

Table showing the closing values for various Dow Jones bond averages.

Market Sales

Table showing market sales data for various commodities and securities.

N.Y.S.E. Odd-Lot Trading

Table showing odd-lot trading data for various stocks on the NYSE.

S&P 100 Index Options

Table showing S&P 100 index options trading data.

AMEX Diary

Table providing a daily summary of AMEX trading.

NASDAQ Diary

Table providing a daily summary of NASDAQ trading.

EUROPEAN FUTURES

Table showing European futures prices for various commodities like wheat, corn, and soybeans.

Table showing European futures prices for various metals like gold, silver, and platinum.

Table showing European futures prices for various stock indexes like the FTSE 100 and DAX.

Table showing European futures prices for various currencies like the British pound and Swiss franc.

Table showing European futures prices for various energy commodities like oil and natural gas.

Table showing European futures prices for various agricultural products like cotton and sugar.

Table showing European futures prices for various livestock products like hogs and cattle.

Table showing European futures prices for various soft commodities like coffee and cocoa.

Table showing European futures prices for various precious metals like palladium and rhodium.

Table showing European futures prices for various industrial metals like zinc and nickel.

Table showing European futures prices for various base metals like aluminum and tin.

Table showing European futures prices for various specialty metals like niobium and tantalum.

Table showing European futures prices for various rare earth metals like cerium and lanthanum.

Table showing European futures prices for various other metals like selenium and tellurium.

Table showing European futures prices for various non-metallic minerals like asbestos and mica.

Table showing European futures prices for various fuels like heating oil and diesel.

Table showing European futures prices for various energy services like electricity and gas.

Table showing European futures prices for various other energy products like coal and uranium.

Table showing European futures prices for various other commodities like wool and hides.

Table showing European futures prices for various other commodities like rubber and soybean meal.

Table showing European futures prices for various other commodities like soybean oil and wheat flour.

Table showing European futures prices for various other commodities like corn meal and cottonseed oil.

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Blockbuster to Buy 48% of Spelling

FORT LAUDERDALE, Florida (Bloomberg) — Blockbuster Entertainment Corp., the home-video and music retailer, said Monday it would acquire 48.2 percent of the television producer Spelling Entertainment Group Inc. in exchange for 7.6 million of its shares.

Blockbuster will be acquiring about 24.5 million shares of the Cincinnati-based television-programming producer and distributor. The Blockbuster shares will be issued to American Financial Corp., a property and casualty insurance underwriter being purchased.

Carl Lindner, who owns the Spelling stock, will sell the shares to Blockbuster. Blockbuster will also issue to American Financial warrants to buy another 2 million shares for \$25 a share. The warrants will expire at either the third anniversary of the closing of the transaction or when American Financial owns less than half the Blockbuster shares issued at the closing, whichever is first.

Turner Is Taking Cartoons Abroad

ATLANTA (AP) — Turner Broadcasting System Inc. said Monday it was expanding its Cartoon Network and TNT channels in Europe and Latin America. The latest moves will introduce the Cartoon Network, an all-animation channel, and TNT, a showcase for old movies, to Europe, Latin America, which already gets a version of TNT, will add the Cartoon Network.

In Europe, the Cartoon Network will be shown 14 hours a day and TNT will follow for 10 hours. Initially, the programming will be delivered from a London base in English, with subtitles dubbed in French, Swedish and Norwegian. In Latin America, the Cartoon Channel will be available in English, Spanish and Portuguese.

Trident to Buy Occidental's Stake

WOODLANDS, Texas (Reuters) — Trident Inc., formed in August 1991 by Hicks, Muse & Co. and Occidental Petroleum Corp., said Monday it had reached a definitive agreement to acquire Occidental's 45 percent stake in Trident for \$121.5 million, subject to the completion of financing.

If said the transaction, which is expected to close by mid-May, would be funded by the purchase of \$30 million in new equity in Trident by an investor group led by Hicks, Muse, and the sale of about \$105 million in subordinated notes by Trident.

Stover Unit Buys Into Whitman's

KANSAS CITY (Bloomberg) — An affiliate of Russell Stover Candies has bought some assets and the trade name of Pet Inc.'s Whitman's Chocolates business for an undisclosed amount of cash, the companies said Monday.

As a result, Pet said it would liquidate the rest of Whitman's assets and realize total proceeds of about \$35 million. The transaction will result in an after-tax charge for discontinued operations of about \$15 million to \$20 million, or 14 cents to 19 cents a share, in Pet's financial third quarter. The charge results mainly from the cost of shutting down plants, Pet said.

Weekend Box Office

LOS ANGELES — The Michael Douglas urban drama "Falling Down" was No. 1 at the U.S. box office for a second straight weekend with an estimated \$7.5 million. Following are the Top 10 moneymakers, based on Friday ticket sales and estimated sales for Saturday and Sunday.

Table listing the top 10 weekend box office movies, including "Falling Down", "Groundhog Day", and "The Sandlot".

WORLD STOCK MARKETS

Table showing world stock market indices for various regions including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Singapore, Stockholm, Toronto, Zurich, and others.

U.S. FUTURES

Table showing U.S. futures prices for various commodities like wheat, corn, soybeans, and metals.

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Storebrand Profit Battered by Skandia

OSLO — UNI Storebrand, the biggest Norwegian insurer, said on Monday it had a loss of 3.38 billion kroner (\$480.4 million) in 1992 after a failed bid to take control of a Swedish rival pushed it into the hands of government-appointed administrators.

The figures were for the combined UNI Storebrand A/S and UNI Storebrand New A/S. The latter was created when the Finance Ministry took control of the insurer in August after the company defaulted on its debts. A plunge in the value of its 28 percent stake in Skandia AB brought a liquidity crisis last summer.

"The write-down of the Skandia shares to a stock-market rate is the main reason for the company's weak result," UNI Storebrand said. It said that it wrote down the value of its shares in Skandia, which cost

4.75 billion kroner in 1991, by 2.63 billion kroner during 1992.

"The company will work actively for a quick sale of the shares in Skandia at the best possible price," UNI Storebrand said. But Skandia said last week that there were no likely buyers for the stake.

UNI Storebrand tried to force Skandia into a Scandinavian insurance alliance in 1991 to face international competition, especially as Norway and Sweden increase their links with European Community countries. Skandia refused, setting off a series of crises at UNI and its Danish ally, Hafnia Holding A/S.

The business designated Andrius in the United States also contributed to the problems, pushing the international division to a pre-tax loss of 546 million kroner from a 64 million profit a year earlier. The company is planning to scale back its international operations. Domestically, the news was bet-

ter, Pretax profit from domestic life insurance rose to 1.91 billion kroner from 1.09 billion, and profit from nonlife insurance also gained to 345 million kroner from 281 million.

The company, trying to work out a deal with creditors to allow it to raise capital and regain a listing on the Oslo bourse, forecast that results in its underlying insurance business would improve in 1993 because of higher premiums, reduced risk in investments and an economic upswing.

Alone, UNI Storebrand New lost 1.4 billion kroner last year. In 1991, the predecessor company had a 129.4 million kroner deficit. Combined sales in 1992 for the two companies were 20.47 billion kroner, up from 16.13 billion at the original UNI Storebrand.

In the future the international operations will only handle reinsurance, and the company will transfer marine, oil, satellite and liability

business to the onlife division, retroactive to Jan. 1, subject to approval by Norwegian authorities, according to Per Teje Vold, the chief executive.

"The positive performance of the securities market so far in 1993 has resulted in substantial unrealized gains again being built up in the share and bond portfolios," Mr. Vold said. He did not supply figures.

Last year, realized gains on securities fell to 63 million kroner, from 152 million in 1991. "At the end of the year, unrealized gains in the portfolio were insignificant," Mr. Vold said.

A company statement said, "A major goal in future is high, stable earnings. This will be achieved through an effective exploitation of capital, greater concentration on insurance in Norway and a consolidation of the international operations." (Reuters, AFP, APF)

Property Weakness Hits Indosuez Net

PARIS — Banque Indosuez reported Monday that its net profit plummeted 83 percent last year, largely due to weakness in the real estate and equipment-leasing sectors.

Despite the fall in profit, to 101 million francs (\$18 million), from 805 million a year earlier, shares at the bank's parent, Compagnie de Suez, continued to surge on the Paris Bourse. They jumped 2.5 francs to 320.70 in heavy trading marked by rumors of a hostile takeover bid. The rumors — up to now, none of them confirmed — have pushed the company's share price up by around 9 percent in the past three trading days.

The chairman of Indosuez, Antoine Jeancourt-Galignani, said that the bank's sharp decline in net profit came after 3.6 billion francs in net provisions were set aside to cover loans in the depressed real-estate sector, more than twice as much as the provisions for 1991. He said the bank carried out "a strict policy of setting aside provisions to cover its property claims and assets, to reduce them to their market value."

Mr. Jeancourt-Galignani added that the bank's gross operating profit was up 9.1 percent, to 3.78 billion francs, while net banking income grew 3.4 percent to 11.31 billion francs.

The bank's loss comes just a few days after its parent, Suez, announced that it could report a loss of as much as 1.9 billion francs for 1992, its first-ever. Suez also cited the slump in the Paris real estate sector. The speculation of a hostile takeover began at the same time, but for now, it is not clear who is buying the company's shares.

"A contested takeover of a bank in France is unheard of, and would be very difficult in the case of Suez," said Piers Butler, analyst at Baring Securities. "It's part of the establishment."

Analysis says they doubted an orchestrated attempt was under way to seize control of Suez, although some said it was possible large investors would be seeking to pressure the board to act more decisively on issues such as asset sales.

Mr. Butler at Baring said any investor seeking to acquire more than 5 percent of a French bank would require Finance Ministry approval, and that it was much harder to build up stakes in a hostile fashion in French banks than in companies in other sectors. (Bloomberg, AFP)

Investor's Europe					
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40	Exchange Index	Prev. Close	% Change
1600	3000	2100	Amsterdam CBS Trend	102.60	101.80 +0.79
1700	2800	2000	Brussels Stock Index	6,974.19	6,033.57 +0.67
1800	2600	1900	Frankfurt DAX	668.53	667.42 -0.13
1900	2400	1800	Frankfurt FAZ	992.70	1,004.58 -1.18
2000	2200	1700	Helsinki HEX	2,293.40	2,265.90 +1.21
2100	2000	1600	London Financial Times 30	2,957.30	2,922.10 +1.20
2200	1800	1500	London FTSE 100	240.70	237.30 +1.43
2300	1600	1400	Madrid General Index	1,160.00	1,181.00 -1.78
2400	1400	1300	Milan MIB	2,004.26	1,985.12 +0.48
2500	1200	1200	Paris CAC 40	1,235.61	1,221.54 +1.15
2600	1000	1100	Stockholm Affarsveeriden	396.84	398.20 -0.35
2700	800	1000	Vienna Stock Index	723.60	723.60 -0.03
2800	600	900	Zurich SBS		

Very briefly:

- Aluisse Loma Holding AG said consolidated net 1992 profit rose to 121 million Swiss francs (\$80.6 million), from 101 million a year earlier, while sales increased to 6.547 billion francs from 6.332 billion.
- PowerOpen Association, led by International Business Machines Corp., Motorola Inc. and Apple Computer Inc., said it would seek a dominant market share for its PowerPC computing architecture.
- Klöckner-Humboldt-Deutz AG, the mechanical engineering group, said it broke even in 1992 after reporting a 10 million Deutsche mark (\$6 million) profit a year earlier; the company said it expected to break even in 1993. Group sales fell 7 percent to 3.665 billion DM.
- Thyssen Industrie AG said there had been a "massive decline in earnings" in several of its key engineering divisions in the current business year, which ends Sept. 30, largely due to falling orders from the German car industry. Thyssen will introduce cost-cutting measures soon.

Cook Tries to Stop Airtours

LONDON — The travel company Thomas Cook Group Ltd. on Monday offered £29 million (\$41.9 million) for 12.5 percent of Owners Abroad Group PLC in a bid to prevent Airtours PLC from acquiring the rival tour operator.

German-owned Thomas Cook said its cash offer of 150 pence a share was conditional on a rejection of the Airtours bid. It said the purchase would cement an alliance struck in December between itself, the German travel group Lufttransport Unternehmen GmbH, which owns 14 percent of Cook, and Owners Abroad.

But Airtours Chairman David Crossland criticized the Cook offer as "a wrecking move supported by a desperate board."

Airtours has offered 15 of its own shares for every 34 Owners Abroad shares. Airtours shares were unchanged at 327.5 pence Monday, making its offer worth 145 pence a share or £287 million. Owners Abroad shares dipped 3 pence to 141.

Nigel Hicks, analyst at Panmure Gordon & Co., said the Cook move was smart because it reinforced ties with Owners Abroad without putting up any money, while Cook's chief executive, Christopher Rodrigues, said he would consider working with Airtours even if it wins Owners Abroad. (AFP, UPI, Bloomberg)

Czechs Nudge Koruna Rate Higher

PRAGUE — The Czech central bank revalued the koruna Monday by 2 percent against the European Currency Unit to curb a rapid decline in trade between the Czech and Slovak republics, the bank's spokesman said.

The Ecu is used in a clearing system to settle trade between the Czech and Slovak republics. They abandoned the Czechoslovak koruna as their common currency, using separate units as of Feb. 8.

According to the agreement on the split, the spokesman, Martin Svehla, said, "each party can revalue or devalue its currency against the Ecu by up to 5 percent." The Slovak central bank devalued the Slovak koruna by 5 percent earlier this month.

Revaluation of the Czech koruna would make Czech goods more expensive abroad but Slovak goods cheaper for Czech buyers.

Mr. Svehla said the reason for the revaluation was a 1.5 billion koruna (\$53.5 million) Slovak deficit in trade between the two newly independent countries in the first three weeks since they adopted separate currencies. Even before that, trade between the two had declined. In January, they exchanged goods worth 6 billion koruna, about 40 percent less than in the same month in 1992.

"The drop is not only a monetary problem," he said. "There are a lot of administrative barriers that curb mutual trade or make it impossible." Czechoslovakia split into separate Czech and Slovak republics on Jan.

1. Businessmen now need a number of customs documents to export their goods to the other country.

The Czech economy minister, Karel Dyba, said that if imports continued at some 30 to 40 percent of past levels it would result in companies taking forced holidays or stopping production. He told the Czech daily Mlada Fronta news that this would cause gross domestic product to shrink by 3 percent to 5 percent.

Last year, Czech GDP fell by 6.7 percent, to 738.3 billion koruna. In 1991, it shrank by 14 percent for all of Czechoslovakia.

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GERMANY: In East and West, Resentment at Costs

(Continued from page 1)

will be difficult to bring down German, or other European, interest rates.

Some officials and bankers say the eastern region still has the capacity to develop into the most modern part of Germany by the end of the century, much as the rebuilt German and Japanese economies became the envy of victorious nations after World War II.

But foreign investors have been hesitant. Only 600 of more than 11,000 former East German companies that have been sold to private investors have gone to foreigners.

And most of the biggest companies in areas like steel, mining and chemicals, have not been sold. The Japanese have remained conspicuously on the sidelines, even as they invested in other parts of the former Soviet bloc such as Hungary.

Their skepticism is widely shared. Many experts now contend that the area, dismembered by an overzealous and sometimes thoughtless process of closings and privatization, could become a sort of German Mezzogiorno, as dependent on state support and as economically dormant as the depressed southern part of Italy.

There are several reasons for such pessimism. The most important is wages. While salary levels in the east have risen to about 65 percent of those in western Germany, and are supposed to reach 100 percent by the end of next year, the productivity rate is a little over a third of western Germany's.

"There has to be a compromise on wages, putting off equalization for at least three years, or companies will simply collapse," said Uwe Reinert, managing director of the Jenoptik optical business in Jena.

But one of his department managers, Winfried Klinker, said, "Since everything we buy is at western prices, we would like our wages at the western level, too, as soon as possible."

From the Black Sea Coast To Hell in Three Years

BERLIN — On the face of it, Dietmar and Brigit Stengel have done all right under German unification. They have acquired a new Czech-made Skoda automobile, and their small apartment in the eastern part of this city boasts a new freezer and videocassette recorder.

Yet the Stengels say their experience since East Germany was absorbed by West Germany two years ago can be summed up in one word: "hell."

Their torment, as they describe it, has been made up of a string of lost jobs, intermittent unemployment, wasted training programs, a growing sense of anxiety and a financial squeeze. Beyond all this, they are angry at Germans from the west, whom they portray as arrogant colonizers.

"The Stengels said they had not felt stifled under communism. "It's true that we could not travel to the West before," Mr. Stengel said. "But there were pleasant vacations within the former Soviet bloc. In fact, my wife and I met on the Black Sea coast. Now we cannot afford to go anywhere."

Yet the Stengels are being treated well by the Bonn government. They each receive unemployment benefits, a total of about 1,800 Deutsche marks (\$1,100) a month, enough to live adequately in Berlin. This money is part of the well over \$100 billion transferred annually from west to east.

The transfers, in turn, exacerbate Germany's budget deficit, drive up inflation and exasperate taxpayers in the west.

In the old East Germany, there was little worth buying with the savings the Stengels had. But conversations with them and other East German families suggest, there was something else.

"In the old East Germany people were closer," Mrs. Stengel said angrily. "We helped each other. In the west, people say, 'This is my space, it is separate from you, and do not disturb my space.'"

AMSTERDAM: Stemming the Outflow of Trading

been worst hit in the fight with London. This slumped to 33 percent of the total in 1991 from nearly 70 percent five years ago.

Mr. Brouwer acknowledged that the reforms reflected a conflict of interests between professionals who want to move quickly and invisibly, and private investors who need time and the protection of a transparent market.

But he denied the reforms would harm retail investors, pointing out that hoeklieden will be watching the on-screen transactions and taking account of these in pricing specialist deals. He said the new-style specialists would link the wholesale and retail segments.

The bourse has not yet decided where to draw the line between a wholesale and a retail trade, but it will be set individually per issue and probably will depend on the number of shares dealt rather than their total value.

Officially, the hoeklieden back the reforms as a vital step to safeguard Amsterdam's future. But privately many are bitter at the number of jobs that will disappear.

Mr. Brouwer confirmed the changes would cut by about half the bourse's current 250 hoeklieden and fewer than 10 of the current 22 specialist firms are likely to survive.

But he said the bourse was exploring ways to soften the blow for those thrown out of work. "They won't be on the scrap heap," he said.

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NYSE

Monday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE High Low Last Chg

12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last	Chg
120	110	IBM	1.50	4.5	15	120	110	115	+5
100	90	Microsoft	0.50	3.0	25	100	90	95	+5
80	70	Intel	0.20	2.0	20	80	70	75	+5
60	50	Compaq	0.10	1.5	15	60	50	55	+5
40	30	Dell	0.05	1.0	10	40	30	35	+5

Compaq Trims PC Prices 2 Others Follow Suit, More Cuts Likely

HOUSTON — Compaq Computer Corp. on Monday eliminated list prices for its entire product line and announced discounts of as much as 20 percent on older personal computers and its new PageMaker printers.

Two other PC makers, NCR Corp. and Unisys Corp., also said they were lowering prices.

To battle Apple Computer Co. and International Business Machines Corp., as well as its archrival Dell Computer Co., Compaq also introduced a multimedia desktop model that includes an audio sound board, a CD-ROM drive and a color monitor for a price it said was "less than \$1,999."

Compaq said it would no longer publish suggested list prices in the United States for its desktops, notebooks and printer products. Instead, it said, prices it gives will be "estimated street prices." It said it took the action "to provide end users with a closer representation of actual buying prices."

The latest cuts, Compaq's first of the year, had been expected. Before the stock market opened Monday, Dell announced two new multimedia PCs, with suggested prices of \$1,499 and \$1,999.

Analysts said the aggressive moves by Compaq were likely to touch off another round of price cuts by IBM, Dell and other companies in the battle for market share that Compaq started in the personal-computer industry last June.

"Despite all this discounting, Compaq's still way ahead of the curve," said Michael K. Kwatinetz, PC analyst for Sanford C. Bernstein & Co. "They're in a very good position to grow now, especially since all the price squeezes are affecting the second-tier companies, not Compaq."

Besides cutting prices on older-model Intel Corp. 80386-based units to as little as \$749, Compaq also took aim at Dell, of Austin, Texas, on the issue of quality control. Compaq manufactures its entire product line. One reason Dell prices its product line more cheaply is that it obtains nearly complete PCs, printers and file servers from outside makers.

Recent Compaq ads have depicted a gheupot standing next to a Dell-branded product, suggesting "inadequate quality control." Monday, Ross Cooley, Compaq's senior vice president for North America, asserted that the company's internal design and manufacturing teams give consumers better value.

The two Texas giants, as well as IBM, are also challenging one another on service. Compaq said all new products would be covered by a three-year warranty. IBM and Dell do not have similar warranties for their entire product lines.

PC and peripherals makers are announcing new products and discounts on older models now to prepare for the summer sales season, as well as for various trade shows and conferences in the next two months. (Bloomberg, Reuters)

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80	70	Intel	0.20	2.0	20	80	70	75	+5
60	50	Compaq	0.10	1.5	15	60	50	55	+5
40	30	Dell	0.05	1.0	10	40	30	35	+5

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60	50	Compaq	0.10	1.5	15	60	50	55	+5
40	30	Dell	0.05	1.0	10	40	30	35	+5

Terrorism in New York

The Bosnian airdrop

World trade conflicts

The U.S. recovery

The Russian leadership crisis

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12 Month High	12 Month Low	Stock	Div	Yld	PE	High	Low	Last	Chg
120	110	IBM	1.50	4.5	15	120	110	115	+5
100	90	Microsoft	0.50	3.0	25	100	90	95	+5
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60	50	Compaq	0.10	1.5	15	60	50	55	+5
40	30	Dell	0.05	1.0	10	40	30	35	+5

(Continued on next page)

Handwritten note: 02/10/1993

Japanese Prodding ASEAN

Liberalized Trade In Services Sought

Agence France-Press
TOKYO — Japan is quietly pressing members of the Association of South East Asian Nations to do more to liberalize various service industries ranging from shipping to construction, according to government officials.

The government dispatched an unofficial mission to Malaysia, Singapore, Indonesia and Thailand at the weekend, aimed at getting the four countries to improve their offers in the Uruguay Round of global trade talks.

Led by Koji Tsuruoka, head of services negotiations at the Foreign Ministry, the mission comprises trade, construction, transport and labor officials and will spend eight days in the four countries, mostly in Singapore and Thailand.

Services is one of the key trade areas being discussed in the Uruguay Round that is not yet covered by the General Agreement on Tariffs and Trade. Clashes over agriculture, mainly between the United States and the European Community, have delayed the conclusion of the round by two years.

Foreign diplomats here noted that while Japan had been reluctant to open its rice market in the farm negotiations in the Uruguay Round, it has played a leading role in the negotiations on services.

"Japan, the European Community and the United States have a common interest in getting a good services agreement," one diplomat said. Some countries, including the United States, are "dissatisfied with the quality of offers" from ASEAN countries in opening up their services sectors to foreign competitors, the diplomat said.

With much public attention in the Uruguay Round focused on the continued agricultural impasse, diplomats said, ASEAN countries have so far managed to avoid being more forthcoming in services.

"They know the round is not going to break down because of Philippine banking or Malaysian insurance," one diplomat said.

Japanese officials agree. "ASEAN countries don't have much interest in participating in the service industry negotiations because their service industries are not very developed," a Japanese official said.

China's Tsingtao Thirsty for Listing

Reuters
QINGDAO, China — In 1903, Germany built a brewery in this beautiful east China seaside resort to stoke the thirst of settlers flocking to an area China had been forced to cede to the Kaiser's imperial court.

Ninety years later, China's Communist leaders are set to sell shares in the brewery to foreign investors thirsty for a stake in the economic boom that is transforming the world's most populous country.

Tsingtao Beer, long China's premier brew and one of its best-known exports, has been picked by the government to be one of nine state-owned companies to sell shares on the Hong Kong stock exchange as part of Beijing's economic reform drive.

Company officials agree with many Western analysts who think the brewery may be one of the easiest to bring to the market. Unlike some of the socialist behemoths Beijing wants to list, Qingdao Brewery has just 2,500 employees.

"Our size is small, our management is good, our product is well-known, so we're optimistic," Vice Director Dong Zhaowen boasted. "Our brand is probably the best-known Chinese name in the world."

Indeed, China's leaders value the trademark so much that when they ordered a change to the Pinyin spelling of Chinese names — turning Peking into Beijing, for example — they left Tsingtao Beer alone, even though the town and the brewery itself both changed their spellings to Qingdao.

Tsingtao Beer has an enviable reputation at home as well as abroad, positioning it to take advantage of the growing domestic market. A decade ago, seven out of every 10 bottles were shipped abroad to earn foreign exchange.

Now the figure is only about one in three.

The company expects exports to stay stable at about 50,000 metric tons this year, with all growth coming from the newly wealthy consumers of China.

"The domestic market is huge for us," Mr. Dong said. "One billion thirsty mouths. As the standard of living rises, people want to drink better beer. Tsingtao Beer's quality has no problem, so it's worth the extra money."

Last year the brewery produced 120,000 tons of beer and plans to make 150,000 tons this year. The goal is 300,000 tons by 1996. With the money raised from the expected stock offering, the brewery plans to build a

'Our size is small, our management is good, our product is well-known, so we're optimistic.'

Dong Zhaowen, vice director

huge new plant capable of producing 1 million tons a year.

Officials expect China to become the world's largest beer market early next year, when the country's annual beer output is expected to top 20 million tons.

Last year, China ranked third with 10 million tons, up 21 percent from 1991.

Already China's per-capita consumption of beer has shot up along with the rising standard of living, to 7.3 liters (7.75 quarts) in 1991 from half a liter in 1979.

Company officials think the power of the Tsingtao franchise will keep its beer in a leading position as domestic consumption and exports grow.

Still, the brewery, like other Chinese state-

owned companies faces many problems in trying to list its stock on a capitalist bourse.

Four decades of socialist economics have left companies a tangled web of social welfare benefits, unrelated production units and political securities.

To prepare for an overseas listing, a team of accountants from Hong Kong has been working overtime here for several weeks to bring capitalist order to the company's socialist balance sheet.

Under Chinese accounting, the brewery looks in good shape compared with many state enterprises. It generated export sales of \$30 million last year and reported profits and taxes of 120 million yuan (\$21 million).

But the figures are fairly meaningless to overseas investors as the company's entire tax and regulatory framework will change once it gets foreign shareholders, which will make it eligible for certain benefits.

Brewery officials have posted huge notices extolling the virtues of issuing shares and are convinced the listing will be a powerful tool. "Stocks can raise money without giving the enterprise a burden like loans do," Mr. Dong said. "When you issue stocks you don't have to worry about paying the money back."

But he acknowledged that issuing shares might create new pressures for management. "If stockholders have opinions or criticisms, that's a scientific way of advancing the enterprise," he said.

One of the major questions still to be answered is how much power the new shareholders will have compared to the current owner — the government.

"We haven't set how much ownership the state will maintain," Mr. Dong said. "That's the 'X' in the equation. We have to appraise the value of the state assets and then decide how many shares to issue."

Asia Squeezes Africa in Cocoa Market

Reuters
GENEVA — Major African cocoa producers are being squeezed between low prices and competition from Indonesia and Malaysia, and with the collapse of price-support talks last week, the outlook is grim.

Analysts said Asian producers, with lower production costs and more developed infrastructures, appeared better placed to survive an era of low prices.

"The real battle in cocoa is not between consumers and producers. It is between Africa and Southeast Asia," said a consumer delegate to the price talks. The implications of defeat for African producers already burdened by foreign debt and massive problems connected with the spread of AIDS could be horrendous, he added.

An analyst said: "It is clear that if these countries do not have enough income from cocoa you will see political unrest. If a soldier, for example, is not receiving the wages he expects, it leads to unstable situations."

Producers and consumers met in Geneva last week to try to agree on measures to support prices, which have fallen to their lowest levels since records have been kept, after accounting for inflation. The talks centered on a plan to withhold up to 350,000 metric tons of cocoa from the market, but the two sides failed to agree on who should pay for the program and what prices it should aim for.

Delegates said the failure of the talks was mainly due to different philosophies of the two sides. Producers saw a pact as a means of raising prices while consumers wanted to stabilize them.

"We wanted to conclude an agreement not where prices would be stabilized at the pitiful levels of the last few years but go back up," said Kouame N'Goussan, a spokesman for the growers.

Cocoa has been depressed by huge stocks built up after a rapid expansion in production in the late 1980s. The surplus came after an earlier price boom and scientific advances that allowed trees to thrive in regions previously considered unsuitable.

Production in Indonesia has risen tenfold in the last 10 years, to about 215,000 tons a year, and many believe output will reach 400,000 tons by the end of the decade.

Indonesia attended the talks as an observer but is not a member of the International Cocoa Organization, the group of producing and consuming nations holding them. Consumer delegates said Indonesia appeared reluctant to link itself too closely to bodies which might urge it to curb its expansion plans. Indonesia is also not a member of the Cocoa Producers' Alliance.

Malaysia is the other leading producer in the area and has more than doubled its output, in more than 200,000 tons in the last 10 years. Output is now showing signs of beginning to stabilize.

African exporters are led by the Ivory Coast, the world's largest producer, with annual output of around 730,000 tons, and Ghana, which is considered to have the highest-quality cocoa, and produces 280,000 tons a year.

Analysts said several African countries, including Ivory Coast, had also been badly hit by a sharp fall in coffee prices that followed the collapse of an international pact involving export quotas in July 1989.

Commodity price-support pacts have generally not been successful over the long term. A previous attempt to boost cocoa prices through a buffer stock in the late 1980s failed and left the cocoa organization holding around 250,000 metric tons of cocoa.

Flood Puts Pakistan Deep in Red

Reuters
ISLAMABAD — Pakistan's budget deficit will balloon in the current fiscal year because of flagging tax revenue and the high cost of devastating floods last year, a government minister and World Bank officials said Monday.

Another factor has been the government's failure to control spending despite an ambitious privatization policy that has included the sale of several unprofitable state enterprises, officials say.

The central bank has forecast a "dangerously high" deficit of 7.4 percent of gross domestic product for the fiscal year ending June 30, said the minister of state for economic affairs, Sardar Asaf Ali.

Pedro Alba, a World Bank economist, said Sunday the deficit would exceed 7.5 percent of GDP. Senior government officials have warned it could hit 9 percent, versus an initial target of 5 percent.

In the year that ended June 30, 1992, the deficit was 6.1 percent of GDP, down from 8.8 percent the previous year but well short of the target of 4.8 percent set by the International Monetary Fund as a condition for helping Pakistan.

Mr. Alba said the deficit would widen because of floods in the Punjab cotton-growing belt that cost the government an estimated \$2.5 billion in losses and relief work.

A government report has said the floods could slash the growth rate to 4.0 percent this year, down from projections of 6.3 percent and an actual 7.6 percent last year.

Mr. Alba said Pakistan needed to examine its spending and boost tax revenue, which has been historically stagnant for five years.

"Innovative ways must be found to collect money," Mr. Ali said, adding that no one in Pakistan had ever been convicted of tax evasion.

Finance Minister Sartaj Aziz has said the government hopes to persuade the IMF to postpone its 4.8 percent deficit target until 1994-95.

Investor's Asia				
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225		
7000	1700	18000		
6500	1600	17000		
6000	1500	16000		
5500	1400	15000		
5000	1300	14000		
O N D J F M	O N D J F M	O N D J F M		
1992	1992	1992		
1993	1993	1993		
Exchange Index	Monday Close	Prev. Close	% Change	
Hong Kong Hang Seng	6,482.16	6,502.81	-0.32	
Singapore Straits Times	1,661.04	1,657.37	+0.22	
Sydney All Ordinaries	1,817.10	1,813.60	+0.22	
Tokyo Nikkei 225	17,686.47	16,817.70	+5.17	
Kuala Lumpur Composite	637.93	638.34	-0.06	
Bangkok SET	Closed	898.74		
Seoul Composite Stock	625.62	605.93	+3.25	
Taipei Weighted Price	4,601.58	4,479.51	+2.73	
Manila Composite	1,527.48	1,543.15	-1.02	
Jakarta Stock Index	308.50	N.A.		
New Zealand NZSE-40	1,576.57	1,570.18	+0.41	
Bombay National Index	Closed	1,119.20		

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- General Electric Co.'s finance arm plans to become the first corporate borrower to borrow U.S. dollars on Southeast Asia's Dragon bond market, said the lead manager, Lehman Brothers Asia.
- Kumagai Gumi Co. said it had cut its stake in Kumagai Gumi (Hong Kong) to 6.36 percent from 29.20 percent by selling 20 million shares to the unit's president and 60 million on the Hong Kong market; the gain of 8.5 billion yen (\$73 million) on the sale will be used to write off bad debts.
- The International Finance Corp. is planning to set up a joint-venture commercial bank in China, the South China Morning Post reported; the World Bank arm will take a 12.5 percent stake in the bank, which will have a mainland partner and registered capital of \$60 million, it said.
- Fiat SpA said its Iseeo unit agreed to allow Halls Engineering & Heavy Industry to build its trucks under license in South Korea.
- China's advertising industry turnover almost doubled last year to 6.78 billion yuan (\$1.2 billion), while agencies jumped 42 percent to 16,683, and reforms should boost business, the official China Daily reported.
- Denny's Japan Co., an affiliate of the U.S. restaurant chain, said it would double restaurant openings to 40 a year beginning in April because Japan's slump had made it easier to find land and employees.
- Nomura Real Estate Development Co. said it and O'Connor Group planned a \$275 million shopping center outside New York City for 1995. *Bloomberg, Reuters, AFP, UPI*

Hong Kong Raises Fee for Registering Shares

AFP-Ed News
HONG KONG — One of the great bargains in global finance, the fee for registering shares in Hong Kong, is about to jump by 50 percent — to three Hong Kong dollars (\$9 cents).

It would be the first increase since World War II, Albert Silva, secretary of the Federation of Share Registrars, which groups Hong Kong's 29 registrars, said Monday.

Permission to raise the fee is being sought from the

Hong Kong Stock Exchange. Although it is subject to public consultation, it is not expected to face serious opposition.

Registrars asked for the increase as they voiced support for a proposed change to stock-market rules that would cut the time it takes to register share ownership from three weeks to two.

Once raised, the Hong Kong fee would be about equal to Japan's, one-third of those in Singapore and Kuala Lumpur, and a fraction of the levies in London,

NYSE Monday's Closing									
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press									
(Continued)									
12 Month High	Low	Stock	Div.	Yld	PE	100s	High	Low	Latest Clse
12.50	12.00	IBM	4.00	3.1	15.0	100	125.00	124.00	124.00
100.00	95.00	Microsoft	0.00	0.0	0.0	100	100.00	95.00	95.00
50.00	45.00	Apple	0.00	0.0	0.0	100	50.00	45.00	45.00
20.00	18.00	Oracle	0.00	0.0	0.0	100	20.00	18.00	18.00
15.00	14.00	Sun	0.00	0.0	0.0	100	15.00	14.00	14.00
10.00	9.00	Lotus	0.00	0.0	0.0	100	10.00	9.00	9.00
8.00	7.50	Novell	0.00	0.0	0.0	100	8.00	7.50	7.50
6.00	5.50	Perseus	0.00	0.0	0.0	100	6.00	5.50	5.50
5.00	4.50	WordPerfect	0.00	0.0	0.0	100	5.00	4.50	4.50
4.00	3.50	Parsons	0.00	0.0	0.0	100	4.00	3.50	3.50
3.00	2.50	CompuLink	0.00	0.0	0.0	100	3.00	2.50	2.50
2.00	1.50	CompuShare	0.00	0.0	0.0	100	2.00	1.50	1.50
1.50	1.00	CompuLink	0.00	0.0	0.0	100	1.50	1.00	1.00
1.00	0.50	CompuShare	0.00	0.0	0.0	100	1.00	0.50	0.50

12 Month High Low Stock Div. Yld PE 100s High Low Latest Clse									
12.50	12.00	IBM	4.00	3.1	15.0	100	125.00	124.00	124.00
100.00	95.00	Microsoft	0.00	0.0	0.0	100	100.00	95.00	95.00
50.00	45.00	Apple	0.00	0.0	0.0	100	50.00	45.00	45.00
20.00	18.00	Oracle	0.00	0.0	0.0	100	20.00	18.00	18.00
15.00	14.00	Sun	0.00	0.0	0.0	100	15.00	14.00	14.00
10.00	9.00	Lotus	0.00	0.0	0.0	100	10.00	9.00	9.00
8.00	7.50	Novell	0.00	0.0	0.0	100	8.00	7.50	7.50
6.00	5.50	Perseus	0.00	0.0	0.0	100	6.00	5.50	5.50
5.00	4.50	WordPerfect	0.00	0.0	0.0	100	5.00	4.50	4.50
4.00	3.50	Parsons	0.00	0.0	0.0	100	4.00	3.50	3.50
3.00	2.50	CompuLink	0.00	0.0	0.0	100	3.00	2.50	2.50
2.00	1.50	CompuShare	0.00	0.0	0.0	100	2.00	1.50	1.50
1.50	1.00	CompuLink	0.00	0.0	0.0	100	1.50	1.00	1.00
1.00	0.50	CompuShare	0.00	0.0	0.0	100	1.00	0.50	0.50

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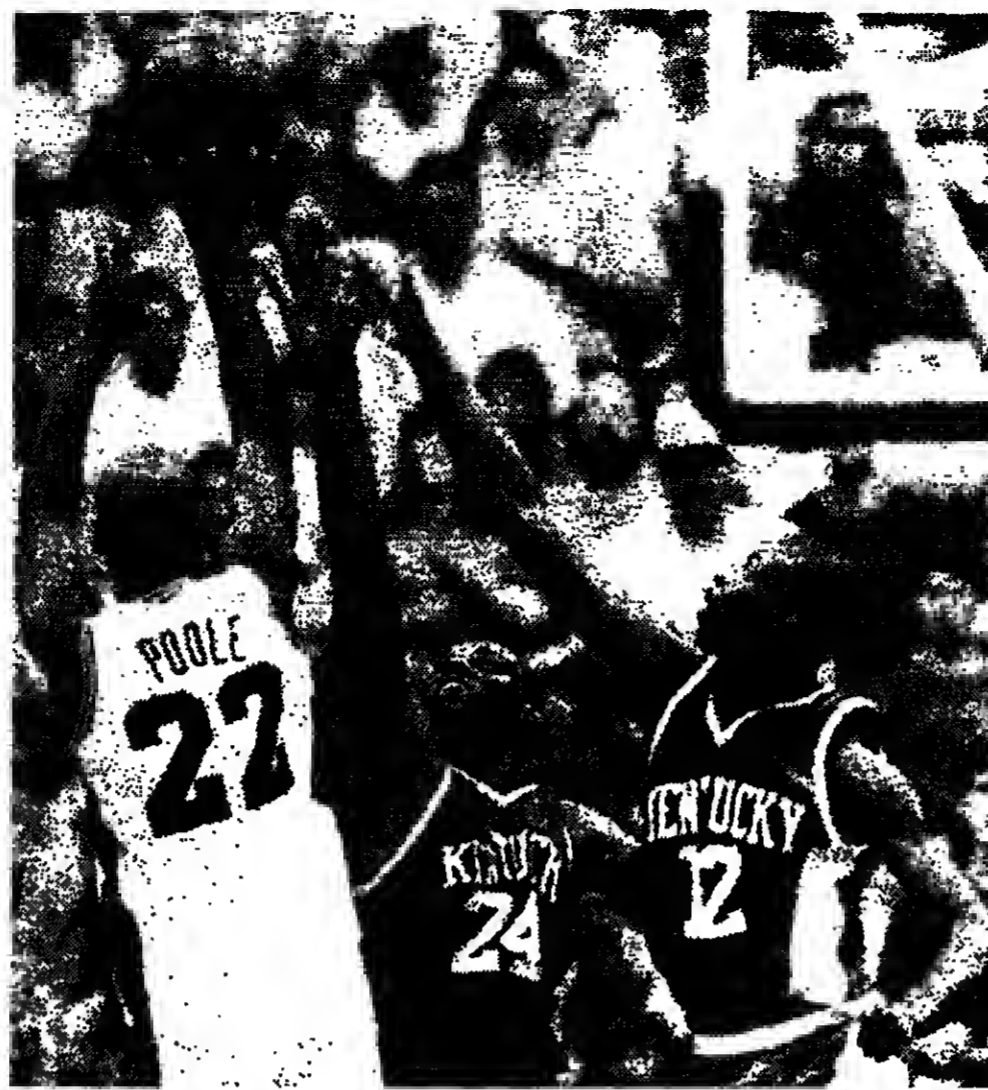
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(Continued on next page)

SPORTS BASKETBALL

The Knockdowns Before the Rematch Interim Boxing Cards Set

By Michael Martinez
NEW YORK — The morning after boxing crowned a new welterweight champion, it emerged from behind closed doors with some very big — and in some cases unimpressive — fights that will unfold over the next six months.



Stacey Poole of Florida rose over Jamal Mashburn (24) and Rodrick Rhodes but visiting Kentucky won the Southeastern Conference game, 85-77, although Mashburn didn't score in the second half.

The NCAA's Race Is On Tennessee-Chattanooga, NE Louisiana And Coppin State Win Tournament Bids

The Associated Press
It was a day for low-profile programs, one of the last of the season. Sure, top-ranked North Carolina beat No. 8 Duke, 83-69, and No. 6 Arizona downed Stanford, 94-80. No. 7 Kansas finished the Big Eight regular season by edging No. 21 Oklahoma State, 74-73.

Most of those teams will be in the National Collegiate Athletic Association tournament, but none of them clinched spots on Sunday. Tennessee-Chattanooga, Coppin State and Northeast Louisiana did. Chattanooga won the postseason tournament in the Southern Conference, the Mid-Eastern Athletic tournament went to Coppin State and Northeast Louisiana won the Southland crown.

Already in the tournament are No. 10 Indiana, winner of the Big Ten, and No. 6 Arizona, which has clinched the Pacific-10 title. The Ivy League champion, Penn, also has made the 64-team field, which will be announced on Sunday, as have Coastal Carolina in the Big South and Tennessee State of the Ohio Valley.

SCOREBOARD

BASKETBALL College Basketball's Top 25

Table with columns for Rank, Team, W, L, Pct, and Conference. Lists top 25 college basketball teams including Duke, Michigan State, and North Carolina.

NBA Standings

Table showing NBA standings for Eastern Conference (Atlantic, Central, Pacific) and Western Conference (Midwest, South, Pacific).

SUNDAY'S RESULTS

Table listing basketball game results from Sunday, including Duke vs. Michigan State, North Carolina vs. Duke, and others.

SOCCER

Table showing soccer results from various international leagues, including the Bundesliga and Premier League.

WORLD YOUTH CHAMPIONSHIP

Table listing results from the World Youth Championship, including matches between Canada and the USA.

CRICKET

Table showing cricket match results, including the second test between New Zealand and Australia.

TENNIS

Table listing tennis results from various international tournaments, including the Virginia Slams of Florida.

SKING

Table showing results from various international skiing events, including the Men's Super-G.

HOCKEY

Table listing NHL Standings for various teams, including the Pittsburgh Penguins and New York Rangers.

WORLD YOUTH CHAMPIONSHIP

Table showing results from the World Youth Championship, including matches between Canada and the USA.

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Table listing tennis results from various international tournaments, including the Virginia Slams of Florida.

Woe Is Moe

The Associated Press
PHILADELPHIA — Doug Moe, his team coming off a 56-point loss, was fired Sunday night as coach of the Philadelphia 76ers of the NBA.

King was in top form, Johnette Howard of the Washington Post reported.

By the time he was done guiding his card, he had referred to Paul Revere, Lord Acton, Winston Churchill and sundry philosophers and made the rather Freudian slip of saying "Tucker-Lewis was all about 'sex' and 'control'."

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INTERNATIONAL CLASSIFIED

A large classified section containing various advertisements for real estate, education, and business services. Includes ads for 'Today's Education Directory', 'John Taylor', 'AGS', 'Heritage Tribune', and 'The American University of Paris'.

ART BUCHWALD

Royal Cellular Pains

WASHINGTON — Scientists are finding out more and more about the dangers of cellular phones. In England they have recently discovered that the phone can even affect members of the royal family.



Buchwald

Sir Burton Katzen confirmed this in studies he conducted on the M-1 motorway where he listened in on one member of the royal family talking to a commoner friend.

Transcripts of these conversations made available by members of the vigilant British press indicate that the car phone created a lot of static for the users.

While delivering a paper he had written for the British Cellular Medical News, Sir Burton said, "Holding the phone close to the royal ear can cause severe giddiness and make the palms sweat."

"Is this only true of members of the royal family?" Sir Burton was asked.

"We're not sure because they were the only ones we could experiment on. We do know that both Prince Charles and Princess Diana have palpitations when they talk to their loyal subjects."

"What makes them utter so much gibberish?"

"It could be the cellular battery."

Lillian Gish, in Will, Finds an Arts Award

NEW YORK — Lillian Gish left an estate of \$10 million, stipulating that most of it shall be used for an annual award in the performing arts.

Gish died on Feb. 27 at the age of 99. Her 19-page will provides 20 individuals, including relatives, friends and an employer with about \$1 million in bequests ranging from \$5,000 to \$250,000.

The British Cellular Telephone Association denied that car phones were responsible for the chaos at Buckingham Palace. A BCTA spokesman said, "Cellular phones don't kill monarchies — heirs to the throne do."

Drew Barrymore, Hollywood Trash Novel

By Bernard Weinraub

LOS ANGELES — At the age of 7, playing the little girl in "E.T.," she became a movie star. After that, it was all downhill. She began drinking — at 9. At 10, she was out on the club circuit with her mother, and smoking pot. By 12 she was snorting cocaine. At 14, there was a suicide attempt.

"It's strange, very strange, how I survived with the upbringing I had, the life I led," says the 18-year-old Drew Barrymore. "I sort of had to take care of myself my whole life. I know it's hard to believe, but I am actually now a well-rounded, somewhat normal — not entirely normal — person."

With her chaotic life and her illustrious, dysfunctional family, Drew Barrymore's saga sounds like a trash novel. But it's a Hollywood trash novel. And, despite it all, she seems to be on the edge of stardom once again. In her latest film, "Gun Crazy," about two young lovers on a crime spree, Barrymore was lavishly praised by critics. Vincent Canby, in The New York Times, wrote that she "gives the kind of performance that can transform a severely competent actress into a major screen personality."

Last year, her performance in "Poison Ivy," a film noir sexual thriller in which she plays a girl who seduces just about everyone in sight, seized the attention of critics. Earlier this year, she played the title role in (what else?) ABC's "Amy Fisher Story," the highest rated of the three television versions. "I have some talent," she says. "I'm not a good actress. But I have an ability for adapting characters and turning into other people."

Barrymore's tempestuous life could be seen as preparation for the bad-girl roles she has played recently. "That which doesn't kill you makes you stronger, and Drew is definitely strong," says J. J. Harris, her agent at the United Talent Agency. "She really has a head on her shoulders to go along with the gift that God gave her, which is frequently accompanied by psychosis and craziness. Drew is very together. She's ready. She's going to be a star."

Tamra Davis, the director of "Gun Crazy," says the actress repeatedly called and pleaded for the part of Anita, a salient, volatile teenager who takes up with the wrong guy. "I saw her and knew she was perfect," Davis says. "You could see she's been through a lot, and the world has not been easy to her. And yet she has this incredible vulnerability. She's so determined to prove that she's worthy of the Barrymore name."

Of the role, Barrymore says: "Anita was very close to home for me. Not that I was so much like her. I'm not. But I had the best understanding of her than any character I've ever played in my life."

The actress, seated in her publicist's office on Wilshire Boulevard, has the fine-boned face and skin of a 1930s film star. Surprisingly diminutive, almost frail, she sips diet soda, smokes a lot, and, as a teenager who has endured more than many adults, seems unusually determined when it comes to discussing her career.

She attributes her survival, in part, to a psychiatrist, Dr. George Blair, at a private drug and rehabilitation facility in Van Nuys, where she was hospitalized early in her teens. The actress says she was treated by him for five years, and she still returns to see him periodically. "Technically, I suppose, it's not therapy," she says. "It's expressing myself and getting really good feedback from a person I trust."

Barrymore has trusted few people in her life. She speaks fondly, if a little distantly, about her mother, Ildiko Jaid Barrymore, who is estranged from her father, John Barrymore Jr., a failed actor and recluse. The couple broke up before Drew was born in 1975.

"My mother and I speak once in a while," she says. "We love each other, but we sort of lead our own lives. Basically, I've been my own person since the time I was 7. When I got older, I sort of thought my mom was so cool. She was an English major. She used to read me Dostoyevsky and Henry Miller at night, and we listened to Jim Morrison in the morning. Not 'Sesame Street.'"

Her mother, a struggling actress, lives in Los Angeles and occasionally works as a restaurant hostess.

Of her father, she speaks without bitterness and with some sympathy. "I speak to my father at random, maybe once a year," she says. "Where he is, I don't know. My father is what you might call politely a free spirit. He doesn't believe in owning belongings or owning shoes or living in a specific place. My father can barely take care of himself so he was totally incapable of taking care of other people."

She takes a long drag on her cigarette. Except for smoking and quaffing diet drinks, she says she has avoided other addictions — drugs and alcohol — for years. "My father was so amazing-looking and he was so good and yet, like, he screwed it all up," she says. "I'm not a quitter. I have a hard time with what he did. Believe me, whatever structure I have now did not come from him."

She has a half-brother whom she hasn't spoken to in years. "His name is John Barrymore, and he has a son. His name is — guess what? They should get some originality in the male department of the family."

The male department — indeed the whole family — seemed cursed and blessed. Her grandfather John was the greatest Hamlet of his day and starred in movie classics like "Grand Hotel" and "Twentieth Century." Her great-uncle Lionel (who was also in "Grand Hotel") and great-aunt Ethel headed what was virtually the royal family of the American stage and screen in the first half of the 20th century.

By legend, the Barrymores were descended from itinerant Elizabethan players and vaudevillians. But the Barrymore legend was also stamped by alcoholism, drug addiction and out-of-control behavior. Drew's father, while dashing, had a modest screen career that was shattered by a series of drug arrests.

There is a strong familial resemblance: Davis says she is "amazed" how much the young actress looks like photographs of Lionel, Ethel and John. Barrymore says of her illustrious ancestors: "They were geniuses, but they were crazy. I believe it is genetic. I was somehow destined. They were totally insane." Yet she adds: "My grandfather might be my idol. I only know him from his films. I've seen them over and over again."

Barrymore has never taken an acting lesson — and has no intention of doing so. "I'm afraid of the word 'real,'" she says. "The word puts me off. I'm claustrophobic. Afraid of being trapped. Afraid of working by a method. I want to be as free as possible. I don't want to hold anything back."

Her first professional performance came at 11 months in a dog-food commercial. An angelic blond child, she later appeared in several television movies. After stardom came along 10 years ago in "E.T.," she appeared in a number of films and television dramas. But she gained fame less for her acting than for her life in the fast lane. She co-authored a book with Todd Gold, "Little Girl Lost," in 1990 about her out-of-control behavior.

From the age of 13 to 16 the actress was, she says, washed up. (It could only happen in Hollywood.) "People were afraid of me," she says. "They thought I was a nightmare. Even when I started getting work, everyone was skeptical." She tried out for and lost numerous roles, but work began spreading about how well she auditioned. And "Poison Ivy" put her back in the public eye, despite the movie's somewhat mixed reviews.

"My age group is a difficult one," she says. "I can't play the daughter role, the teenage girl, because audiences won't buy it. I'm not your typical teenager. Yet I can't play leading ladies with older men."

Says Joel Schumacher, a longtime friend and the director who cast her in last fall's short-lived television series "2000 Malibu Road": "She knows how she feels about everything. She's a total professional. She comes to work ready. She knows every line of dialogue. She has a facility to move in and out of emotions very quickly. All her emotions are very much on the surface, which is surprising. For someone with her background, you'd think she'd have buried everything. She hasn't."



Barrymore: "An ability for turning into other people."

PEOPLE

De Klerk's Son Plans To Wed White Woman

President Frederik W. de Klerk's youngest son, Willem, who made headlines last year when he broke off his engagement to the mixed-race South African beauty queen Erica Adams, is now engaged to a white woman, Herleen Mostert. The engagement of Willem and Erica, who met as students in Britain in 1989, provoked controversy, and The Sunday Times newspaper quoted a friend of Erica as saying they had split due to pressure from President de Klerk and his wife, Marika.

Clint Eastwood is the odds-on favorite to win at least one Academy Award this year for "Unforgotten." Eastwood picked up the Directors Guild of America award for his Western, giving him the edge in the competition when the Academy Awards are announced on March 29.

Prince Philip plans to drive around London's streets incognito — in his own taxi cab. A Buckingham Palace spokesman said that the prince, husband of Queen Elizabeth II, will lease the customized green cab, worth £20,000 (\$29,000), to replace his previous private vehicle, a green, battery-powered van that cannot be repaired because it is no longer in production.

A negative newspaper review of Paul McCartney's Perth concert — the former Beatle's first on a worldwide tour — has come under strong criticism from fans who attended the show. Ron Banks, arts editor of The West Australian, called the concert a "himp squib of a big gig." But commercial television stations reported a flood of calls praising the concert.

Katharine Hepburn was released from a hospital in Hartford, Connecticut, Monday after being given a clean bill of health. She had been hospitalized on Thursday for exhaustion. The actress, 85, underwent a series of tests.

INTERNATIONAL CLASSIFIED Appears on Pages 10 & 19

WEATHER

Weather forecast section including maps for Europe, Asia, North America, and Oceania, with temperature and precipitation data for various regions.

CROSSWORD

Crossword puzzle section with clues for Across and Down, and a solution to the puzzle of March 8.

BOOKS

VAN GOGH'S ROOM AT ARLES: Three Novellas By Stanley Elkin. 312 pages. \$22.95. Hyperion. Reviewed by Michiko Kakutani. The protagonists of the other two novellas are less casualties of fate than humbling makers of their own misfortune.

he has won for five weeks in the South of France. Of all the incongruous characters in this volume, Miller is the most obvious: an angry, smiling failure of an academic, who willfully antagonizes his colleagues at a scholarly retreat in France.

CHESS

ly with 10 Qb3. On 10...Bb7 11 Bb2, a black attempt to counterattack with 11...ed 12 Nd4 c5 would have been put down by 13 Nf5 Ne4 14 Nd4 Bc4 15 Ng7 Bf6 16 Nb5 Bb2 17 Qb2 Qg5 18 Ng2 Bc1 19 Rd1 with attacking chances against the exposed black king and the backward d6 pawn.

Chess section featuring a diagram of a chessboard position and analysis of a game between White and Black.

Large advertisement for AT&T USA Direct Service, featuring a clock image and the slogan 'Now good news can travel even faster.' Includes a list of international access numbers and the AT&T logo.